



# **SOL PLAATJE MUNICIPALITY**

**Integrated Development Plan (IDP)**

**2015/16– 2016/17**

**IDP REVIEW 2015/16**

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## FOREWORD BY THE EXECUTIVE MAYOR

The Sol Plaatje Municipality's Integrated Development Plan (IDP) serves as an enabling instrument for mutual accountability in the agreed priorities and allocation of resources to contribute to the long and short-term development of the Municipality and the town as a whole. This is the fourth and final review of the initial Integrated Development Plan (IDP) that was adopted in 2012 and reflects our responsiveness and level of accountability towards the public, in vigorous pursuit to address the critical needs of our communities. The annual cycle of the IDP review presents the Sol Plaatje Municipality with an opportunity to intensify and re-emphasise its efforts in the provision of quality and affordable basic services, providing a safe and clean environment, improving the living conditions of all citizens, and creating a favourable environment for local economic development. The IDP 2015/2016 is the principal strategic planning document which, through public participation, guides and informs all planning and development in the Sol Plaatje Local Municipality. It is in that context that we will continue giving our IDP life.

While the annual review of the IDP is legislated, it is also critical for the Sol Plaatje Municipal Council's planning that these plans are consistently updated and that we continue to communicate with our stakeholders. The review further allows the Sol Plaatje Municipal Council to address emerging challenges and political priorities. The information contained in the 2012-2017 five-year IDP approved in 2012 will not be discarded but will, through the annual review of the IDP, seek to set out the implications and meaning of the five-year IDP each year. The Sol Plaatje Municipal Council will continue to use the IDP as a roadmap to help meet community needs, while ensuring continued growth, equality and empowerment of the poor. That being said, not all projects prioritised in wards during the IDP process will be funded in the annual municipal budget. Some are just beyond the realistic reach of local government; others may just not be to the optimum benefit of communities. This, however, does not mean that these projects are not important. Local communities and local government should seek alternative funding, to ensure as many as possible of the needs identified, can be addressed.

Sol Plaatje Municipality has over the past few years succeeded in managing its finances effectively. Achieving an unqualified audit makes us proud and gives us a strong foundation to build on. The Municipality will continue to align itself with the National Development Plan (NDP), Vision 2030, and other national and provincial strategies and policies. The importance of provincial and national government to provide the necessary finances and resources to enable us to attain our goals is non-negotiable. Together, through the IDP, we have developed our strategic objectives and the municipality will remain committed and focussed to achieve our set goals.

I trust that this IDP will serve to stimulate and synergise our partnership with our colleagues in Government, the people of Sol Plaatje and all those who live, work, study and do business in our town and communities.

## FOREWORD BY THE MUNICIPAL MANAGER

In terms of Section 34 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) each municipality is required to review its Integrated Development Plan (IDP) annually to assess its performance against measurable targets and to respond to the demands of changing circumstances. This IDP Review is the result of such a process and embodies our commitment to governing with the people in discharging our developmental mandate.

The ultimate objective of review remains the improved implementation of Council's five-year development strategy, as well as ensuring improved responsiveness to deliver in line with the needs and priorities of our communities. Both the Sol Plaatje Municipality's reviewed IDP and budget for 2016/2017 are products of extensive processes of internal and external consultation and participation. When Council adopts these documents, the challenge will be for management to translate them into effective service delivery. The final 2015/2016 Reviewed IDP document will not be a master plan but rather an enabling framework that guides our actions and our allocation of resources as a Developmental Local Government.

Armed with the key performance objectives and indicators contained in the IDP, Sol Plaatje Municipality is embarking on a development path that seeks to address the needs of the community through targeted infrastructure development and the implementation of numerous social and economic development projects throughout the municipal area. I am pleased to present the 2015/2016 Reviewed IDP to Council for approval, to the public for scrutiny and to all government sector departments to familiarise themselves with our service delivery backlogs, challenges, special needs and developmental strategies. We will never be able to overcome and fulfil these without their contributions and co-operation.

Sol Plaatje Municipality has made significant progress to ensure that proper alignment and consistency has been established between strategic processes such as the IDP, budget, SDBIP and the annual report. The IDP has been structured according to National and Provincial key performance areas, with specific focus on the Sol Plaatje Municipality's Strategic Objectives and priorities. In accordance the IDP, projects have been identified and every directorate can measure its performance directly in relation to the IDP via the Service Delivery and Budget Implementation Plan (SDBIP).

Lastly, allow me to thank all the officials and councillors involved in preparing this reviewed IDP document. I extend a special word of thanks to the Executive Mayor, Executive Mayoral Committee for providing strategic direction in order to keep us focused and Council for their commitment towards the IDP process and towards building a better future for the Sol Plaatje Local Municipality, and especially every resident of Sol Plaatje who constructively engage and help make a difference.

## PREFACE

### VISION AND MISSION OF SOL PLAATJE MUNICIPALITY

The existing strategic development agenda of SPM is aimed at giving effect to the vision of the Municipality, namely:

#### **SOL PLAATJE, A DYNAMIC AND CARING MUNICIPALITY THAT PROVIDES A COMPREHENSIVE RANGE OF AFFORDABLE SERVICES TO ALL ITS RESIDENTS**

This vision is in line with the Back to Basics programme (B2B) which states that the people should be put first and that municipalities should concentrate their efforts in providing basic services such as water and sanitation, human settlements, electricity, waste management, roads and public transportation in order to create decent living conditions.

In order to achieve this vision it will be important for SPM to ensure growth in the local economy in order to be sustainable. The SPM also needs to improve on the efficiency of its service delivery, the sustainability of its finances and the effectiveness of its administration. This translates into two high level strategic objectives that also encompass all national government priorities, namely:

- **A better standard of living for all** - which requires a growing economy depending on a municipal strategy driving urban efficiencies; and
- **A better quality of life for all** - which requires a caring municipality concerned at providing universal access to basic municipal services at affordable levels while becoming a place where business would want to locate.

### STRATEGIC PRIORITIES

The present overarching strategy for development of the Sol Plaatje Municipality proposes looking at the IDP through the lens of geographical “space-economy”.

The “space-economy” means the geographic distribution of settlements (large and small), the activities within them (residential, commercial, institutional, recreational, etc.) and the relationship of these settlements and activities to the infrastructure that connects and supports them and links in turn to surrounding agriculture and nature areas.

People live their lives in geographic space; how activities and infrastructure are organised in space fundamentally impacts on people's access to economic and social opportunities. For example, locating housing for the poor far away from work opportunities, impacts on disposable income, work productivity and transport infrastructure provision. People have to pay a disproportionately high percentage of their incomes to move to and from work, journeys take a long time, and infrastructure and vehicles have to be provided and maintained to transport them. Also, locating business opportunities far from infrastructure increases the cost of products and diminishes the chances of success for large and small businesses. An informal trader or small café owner cannot hope to succeed without basic necessities such as water or a reasonable flow of passers-by.

The apartheid spatial legacy is the foundation for much of the inequity in society. A primary strategy of Apartheid was to manipulate the space-economy of towns, to provide good opportunities for whites and the rich and to deny opportunities for blacks and the poor. The best land and most viable locations, the best infrastructure and networks, have traditionally been offered to the minority of citizens. Only through restructuring the space-economy of our settlements can we hope to overcome our divided legacy.

Secondly, municipal strategy has over the last decade taken a strong “sectoral” approach. The approach looks at development in sectors such as Local Economic Development Plans, plans for ‘creative industries’, small enterprises, tourism, and so on. Unfortunately, much of this work is silent on the impact of space on specific sectors and has assisted to hide spatial inequity in our settlements. For example, very few, if any, Local Economic Development Plans will look at the relationship between transport infrastructure, economic opportunity and job creation. (See “logic of sector plans” discussed below).

Thirdly, municipal government has considerable influence over the space economy of settlements. By virtue of its mandate, local government can determine the nature and location of key infrastructure and where settlement is to occur and where not. Local government cannot grow the economy, but it impacts on economic success through the provision and maintenance of infrastructure and how activities are organised in space.

The IDP Objectives are still relevant but need some emphasis shifts due, mainly to the following issues:

1. The greater emphasis placed on the alignment of all government spheres to the National Development Plan – Vision 2030.
2. Long term and sustainable local economic growth and job creation
3. The Back to Basics (B2B) Programme
4. The access of households to municipal services according to the latest National Urban Support Programme data on informal areas – which indicate huge backlogs in terms of basic household services. This is discussed in more detail later in the report.

### **Emphasis Shift in Attaining the IDP Objectives**

Considering the challenges and opportunities discussed in sections 2 and 3 above as well as the internal institutional issues such as the implementation of mSCOA, the findings of the AGSA during its annual auditing process related to the Predetermined Objectives PDO’s) and the fact that 2016 will be an election year, it is therefore important for the SPM to review its IDP Objectives (PDO’s) within the following key performance Areas as per the B2B programme and the LGMIM. These combined KPA’s are:

- Integrated Planning and Implementation (LGMIM only)
- Local Economic Development (B2B only)
- Service Delivery (LGMIM and B2B)
- Human Resource Management(LGMIM and B2B)
- Financial Management (LGMIM and B2B)
- Community Engagement(LGMIM and B2B)

- o Governance(LGMIM and B2B)

SPM's present IDP Objectives are indicated in the table below:

National KPA	IDP Objective
1. Local Economic Development	<ol style="list-style-type: none"> <li>1. To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks</li> <li>2. To initiate, lead and sustain an investment environment for job creation in the SPM Area</li> <li>3. To leverage municipal assets and the municipal procurement process with the view to stimulate redistribution and growth</li> </ol>
2. Basic and Sustainable Service Delivery and Infrastructure Development	<ol style="list-style-type: none"> <li>1. To ensure adequate provision of new bulk infrastructure to unlock and sustain development and growth</li> <li>2. To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets</li> <li>3. To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management, housing and roads and storm water services to all residents of SPM</li> <li>4. To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM</li> </ol>
3. Municipal Financial Viability and Management	<ol style="list-style-type: none"> <li>1. Ensure sound financial management and financial sustainability of SPM</li> </ol>
4. Municipal Institutional Development and Transformation	<ol style="list-style-type: none"> <li>1. To provide an overarching framework for sustainable Municipal Performance Improvement</li> <li>2. To provide a framework for Municipal Transformation and Institutional Development</li> </ol>
4. Good Governance and Public Participation	<ol style="list-style-type: none"> <li>1. To ensure an improved audit opinion</li> <li>2. To enhance the Public Profile, Reputation and Positioning of SPM</li> </ol>

**Table 1: National KPA's and IDP Objectives**

## CHAPTER 1: EXECUTIVE SUMMARY

### 1.1 INTRODUCTION

The IDP review 2015/16 is the 4th and last review of the 2012/13 – 2016/17 IDP. This review should therefore look at the implementation of the Plan thus far – at mid-year 2016/17- as well as new information, both internal and external that will have an effect on the further implementation of the IDP. The IDP will also be reviewed in terms of the relevance of its strategic objectives in line with shifts in national and provincial policies and plans as well as its own policies and plans.

This is a draft document which is tabled to Council for public consultation and to finalise the IDP Review for submission and adoption by not later than 31 May 2016.

### 1.2 LEGAL BACKGROUND

The IDP process is guided by various legislation, policies and guidelines which require careful consideration when the document is compiled. These include amongst others the following:

- SA Constitution, Act 108 of 1996 White paper on Local Government
- Municipal Structures Act, 117 of 1998 Municipal Systems Act, 32 of 2000
- Municipal Planning & PMS Regulations (2001) Municipal Finance Management, Act 56 of 2003
- Intergovernmental Relations Framework Act, Act 13 of 2006

The **Constitution of the Republic of South Africa** outlines the type of local government needed. Sections 152 and 153 of the Constitution prescribe local government being in charge of the development process and municipal planning, and describe the following objectives of local government:

- To ensure the sustainable provision of services;
- To provide democratic and accountable government for all communities;
- To promote social and economic development;
- To promote a safe and healthy environment;
- To give priority to the basic needs of communities; and
- To encourage involvement of communities and community organisations in matters of local government.

The **Municipal Structures Act (MSA) Act 32 of 2000** requires municipalities to develop Integrated Development Plans that should be single, inclusive and strategic in nature. Once adopted, the IDP of a municipality will guide development within the relevant council's area of jurisdiction, and should also be reviewed annually. In addition the Act also stipulates the IDP process and the components to be included.

The **Local Government: Municipal Planning and Performance Management Regulations of 2001** set out the minimum requirements for an Integrated Development Plan

Section 21(2) of the **Municipal Finance Management Act (Act 56 of 2003) (MFMA)** states that, when preparing the annual budget, the Mayor of a municipality must:

- Take into account the municipality's Integrated Development Plan;

- Take all reasonable steps to ensure that the municipality revises the integrated development plan in terms of section 34 of the MSA, taking into account realistic revenue and expenditure projections for future years;
- Take into account the national budget, the relevant provincial budget, the national government's fiscal and macroeconomic policy, the annual Division of Revenue Act and any agreements reached in the Budget Forum;

Consult-

- the relevant district municipality and all other local municipalities within the area of the district municipality, if the municipality is a local municipality;
- the relevant provincial treasury, and when requested, the National Treasury; and
- any national or provincial organs of state, as may be prescribed; and

Provide, on request, any information relating to the budget-

- to the National Treasury; and subject to any limitations that may be prescribed, to
- the national departments responsible for water, sanitation, electricity and any other service as may be prescribed;
- any other national and provincial organ of states, as may be prescribed; and
- another municipality affected by the budget.

### 1.3 IDP REVIEW PROCESS

According to Section 28(1) of the Municipal System Act, 32 of 2000, a municipal council must adopt a process set out in writing to guide the planning, drafting and review of its IDP. The Process Plan and the schedule for IDP Public Engagement Sessions were adopted by Council on 27 August 2015 and is attached hereto as annexure A. The process plan enhances integration and alignment between the IDP and the Budget, thereby ensuring the development of an IDP-based budget.

The high level process followed to review the 2015/16 IDP document is depicted in the table below:

**Table 2: IDP review process**

Activity	Date	Outcome
Tabling of Draft Process Plan for approval to :		Approved Process Plan for the preparation of the 2015/16 – 2016/17 IDP Review and Budget for 2015/16 MTREF
1. EMT 2. BSC and 3. Council	8 Aug 15 15 Aug 15 27 Aug 15	
Commencement of IDP analysis of institutional, services and infrastructure provision, backlogs and	8 Oct 2015	Assessment Report: An assessment of existing Priority Issues, present Gaps in the IDP as well as issues

priorities		<p>identified in various government policy documents, engagements with political structures, provincial CoGHSTA, NT and other stakeholders.</p> <p>Unaudited Annual Report as submitted to Auditor-General to be used as input into the IDP strategic phase process and community verification &amp; input by MPAC on reported performance.</p>
First Strategic Planning sessions with: 1. EMT, Manco 2. Mayco	27 Nov 15 30 Nov 15	Finalising Key Priority Issues related to Assessment Report. Review Strategic Objectives for service delivery and development including backlogs aligned to district, provincial and national strategic plans and policies. Review financial and non-financial performance, analyse gaps between planned and actual performance. Determine financial position and assess financial/human resource capacity against possible future strategies.
Draft IDP and Budget Presented to: 1. EMT 2. IDP Budget Steering Committee 3. MAYCO 4. Informal Council Meeting 5. Special Council Meeting	13 Mar 16 16 Mar 16 18 Mar 16 27 Mar 16 30 Mar 16	Present draft IDP priorities linked to Budget allocations including Draft Capital Programme aligned to IDP Key Priority Issues including Ward priorities

Public participation process:  1.IDP/Budget Business Forum  2. Galeshewe  3. Roodepan, Colville, Floors, Homevale, Homelite, homestead  4. CBD, Beaconsfield, Greenpoint  5. Platfontein, Ritchie, Riverton	04 - 07 Apr 16  04 Apr 16  04 Apr 16  05 Apr 16  07 Apr 16	Consult and receive input from community and stakeholder groupings with regard to draft IDP/Budget and SDBIP (Top Layer)
Municipal Budget Engagement and Benchmarking Exercise	15 April 2016	Finalise IDP/Budget and SDBIP after all consultations during the public participation process were considered, including NT's during benchmarking event
Present and Submit Final IDP/Budget and SDBIP  1. IDP/Budget Steering Committee  2. Informal Council  3. Special Council Meeting	23 May 16  24 May 16  25 May 16	Final documents tabled and approved

## Public participation

Measures will be taken to ensure that municipalities engage with their communities. Municipalities must develop affordable and efficient communication systems to communicate regularly with communities and disseminate urgent information. The basic measures to be monitored include:

- The existence of the required number of functional Ward committees.
- The number of effective public participation programmes conducted by Councils.
- The regularity of community satisfaction surveys carried out.

## CHAPTER 2: STRATEGIC ANALYSIS

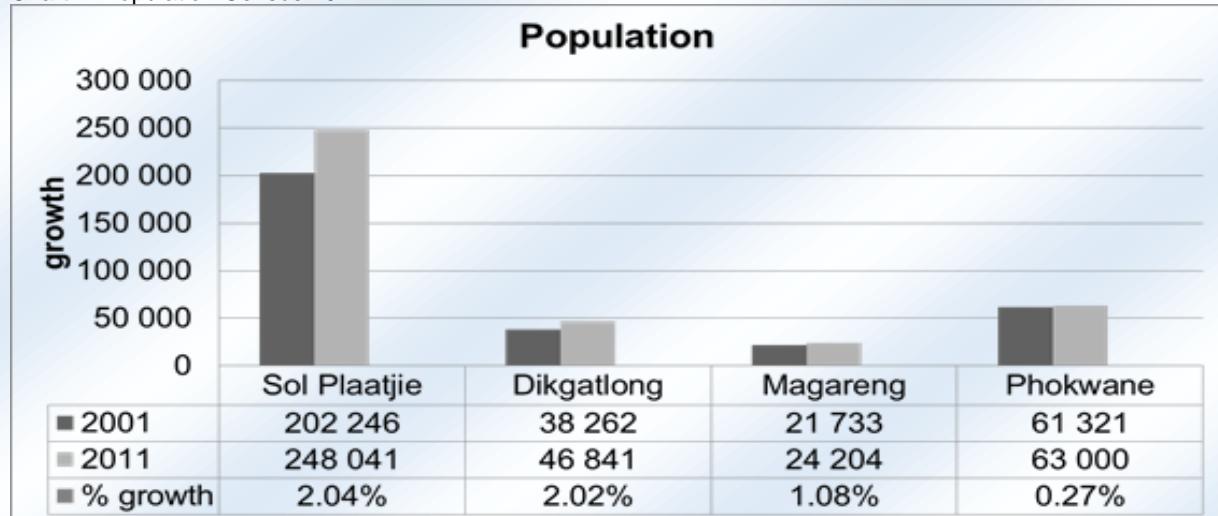
### 2.1 MUNICIPAL PROFILE

Below are some key statistics relating to demographic and socio-economic trends in the Sol Plaatje Municipality. This information comes from STASSA 2011 Census, IHS Global's analysis prepared for Sol Plaatje in 2013. At the end of this section some conclusions and contextual issues are mentioned related to this information.

#### 2.1.1 Person Statistics

The chart below shows the population growth from 2001 to 2011 in the Sol Plaatje and surrounding municipal areas.

Chart 1: Population Census 2011

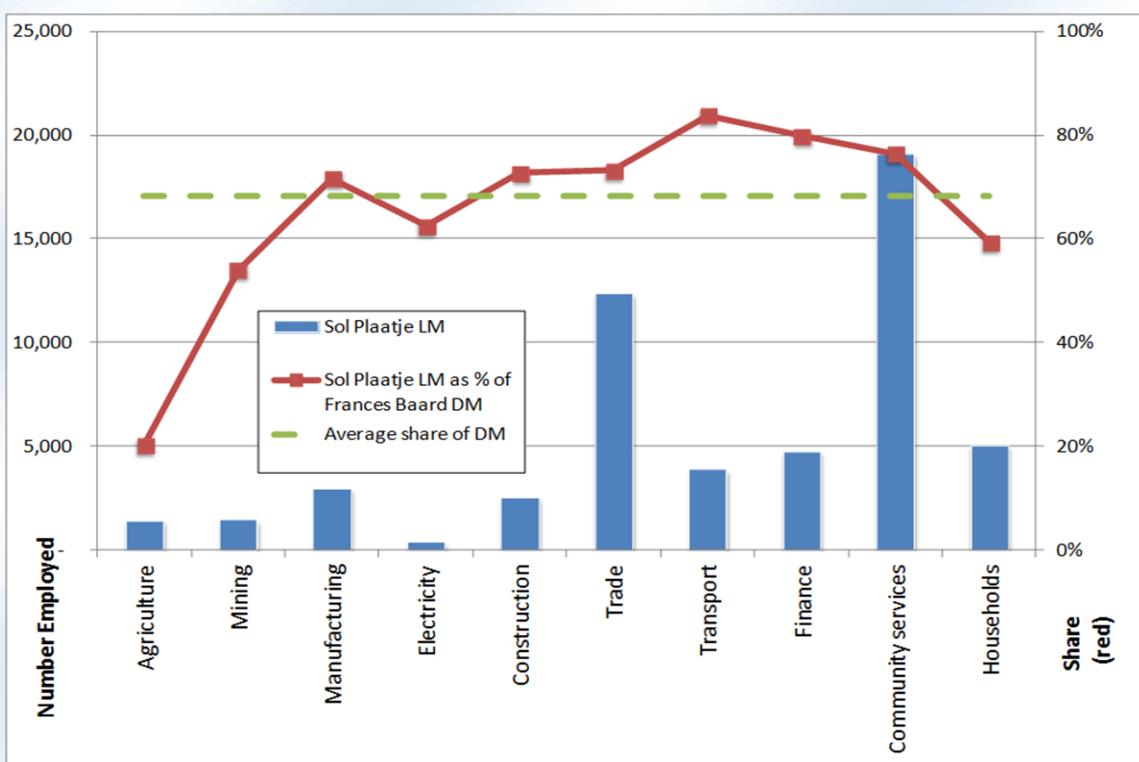


#### 2.1.2 Labour market and Educational statistics

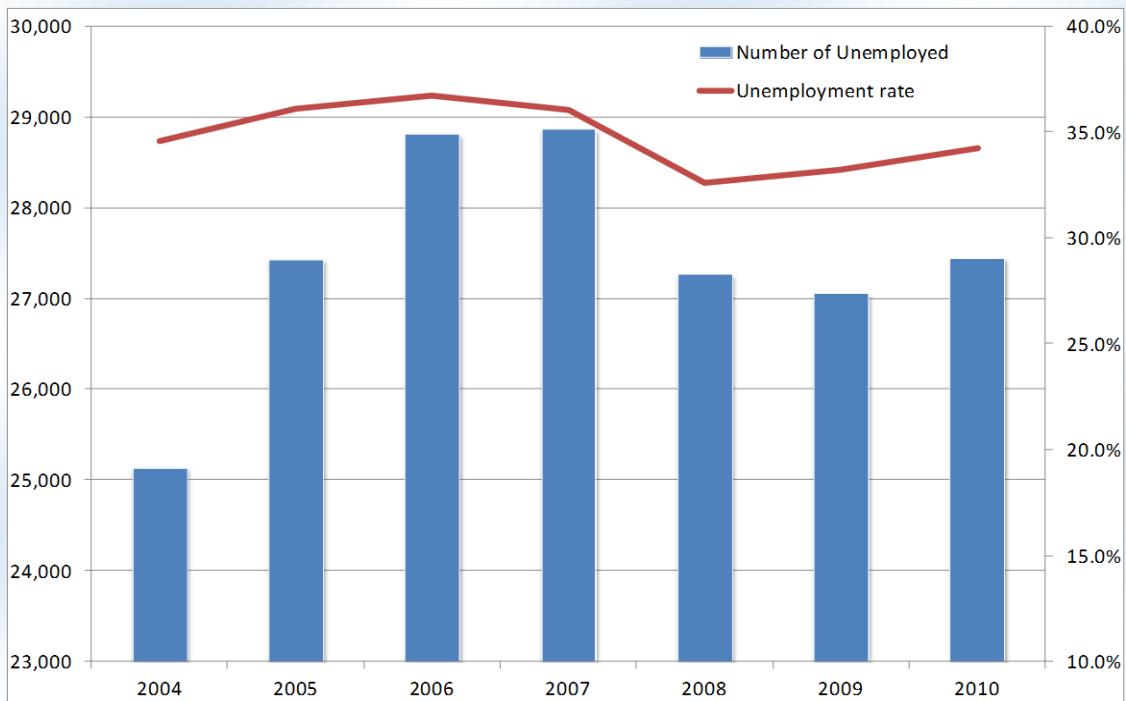
The table below is a comparison of the labour market and educational statistics between 2001 and 2011, while chart 2 illustrates the employment per sector in the Sol Plaatje municipal area in 2010. Chart 3 depicts the number of unemployed people as well as the unemployment rate in Sol Plaatje municipality from 2004 to 2010, and chart 4 shows the number of people living in poverty during the same period.

Labour market				Education (aged 20 +)					
Unemployment Rate (official)		Youth Unemployment Rate (official) 15-34 years		No Schooling		Matric		Higher Education	
2001	2011	2001	2011	2001	2011	2001	2011	2001	2011
41,3%	31,9%	51,5%	41,7%	11,3%	7,1%	21,9%	29,2%	8,7%	10,4%

**Table 3: Labour Market and Education Statistics 2011 compared to 2001**

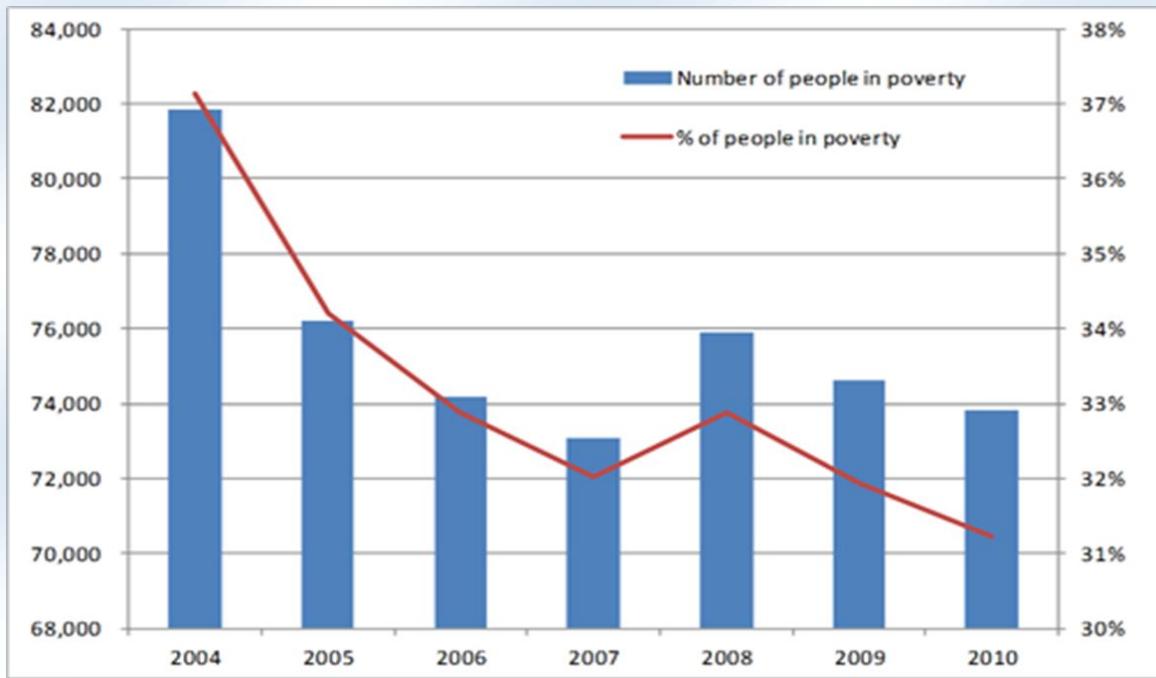


**Chart 2: Employment per Sector**



**Chart 3: Number of Unemployed and the Unemployment Rate**

**Chart 4: Number of People Living in Poverty, 2004-2010**



### 2.1.3 Household Statistics

Chart 5 shows a comparison between the number of households in Sol Plaatje and surrounding municipal areas, 2001 vs. 2011.

During the 2011 Census 7,846 households lived in informal settlements this number increased to 13,361 by end of 2013 according to a Survey done as part of the National Urban Support Programme (NUSP), as seen in table 3 below. Table 4 indicates the number of households

receiving full services. Figure 1 compares the level of service provision in the Sol Plaatje municipal area to that of the Northern Cape provision and South Africa as a whole.

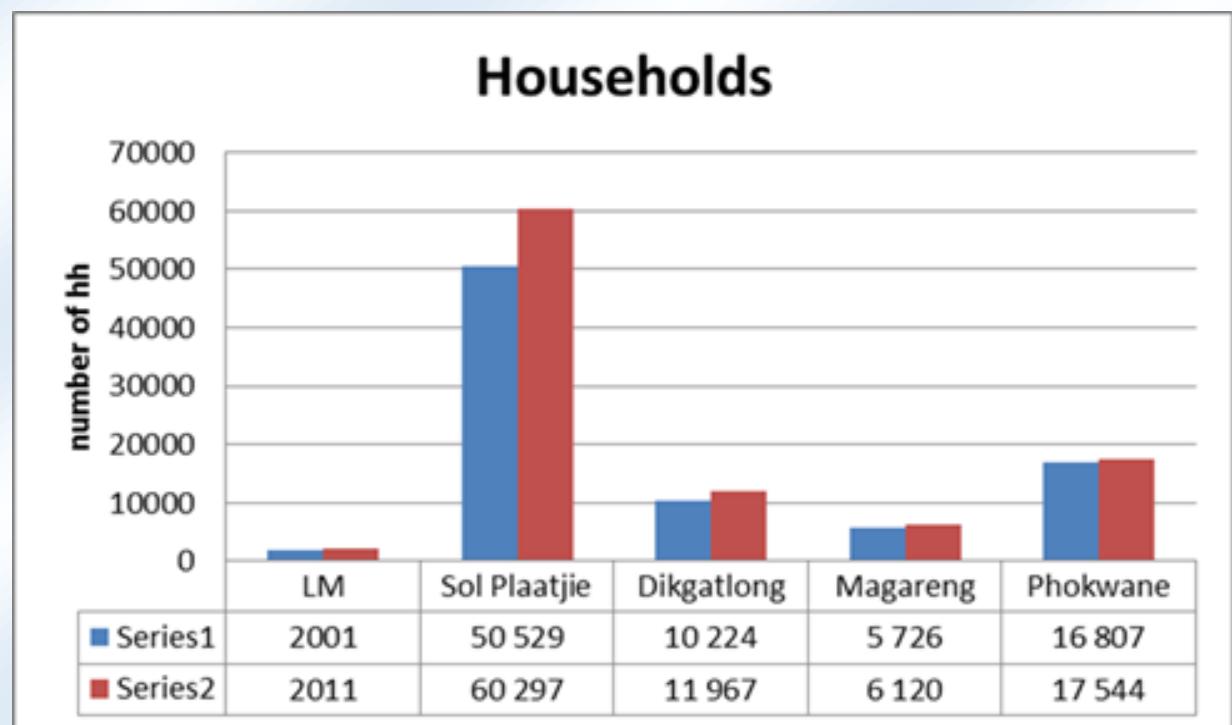


Chart 5: Number of Households

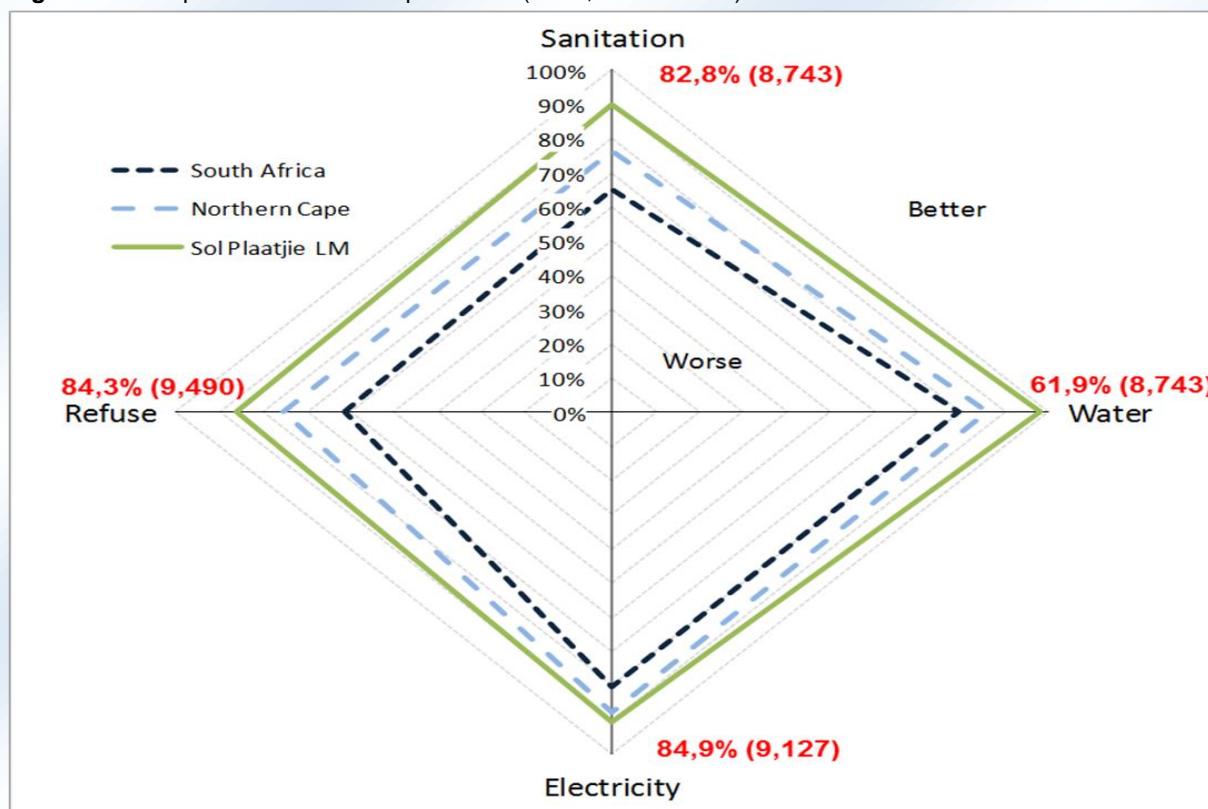
Description	No of Areas	H/H
Planning not commenced	9	5 172
Planning in process	11	2 167
Planning completed - await registration	5	1 526
Install services	2	996
Housing	1	3 500
<b>TOTAL AURECON SURVEY 2013</b>	<b>28</b>	<b>13 361</b>
<b>TOTAL BACKLOG 2011 CENSUS</b>		<b>7 846</b>
<b>GROWTH 2011-2013</b>		<b>5 516</b>

Table 4: No of Households living in Informal Areas (NUSP Survey 2013)

**Table 5: Number of Households Receiving full Services**

<b>Level of Service</b>	<b>2001 No</b>	<b>2001 %</b>	<b>2011 No</b>	<b>2011 %</b>
Piped water inside dwelling	25,870	51,2	37,324	61,9
Flush toilet connected to sewer	42,141	83,4	49,926	82,8
Electricity for lighting	41,636	82,4	51,192	84,9
Weekly refuse removal	45,880	90,8	50,830	84,3

**Figure 1: Comparison in Service provision (SPM, NC and SA)**



#### 2.1.4 Economic Statistics

As seen in chart 6 below, the tertiary sector employs relatively little unskilled labour compared to the primary and secondary sectors. Therefore growth in the tertiary sector does not normally have a significant impact on unemployment as the majority of unemployed people are not highly skilled.

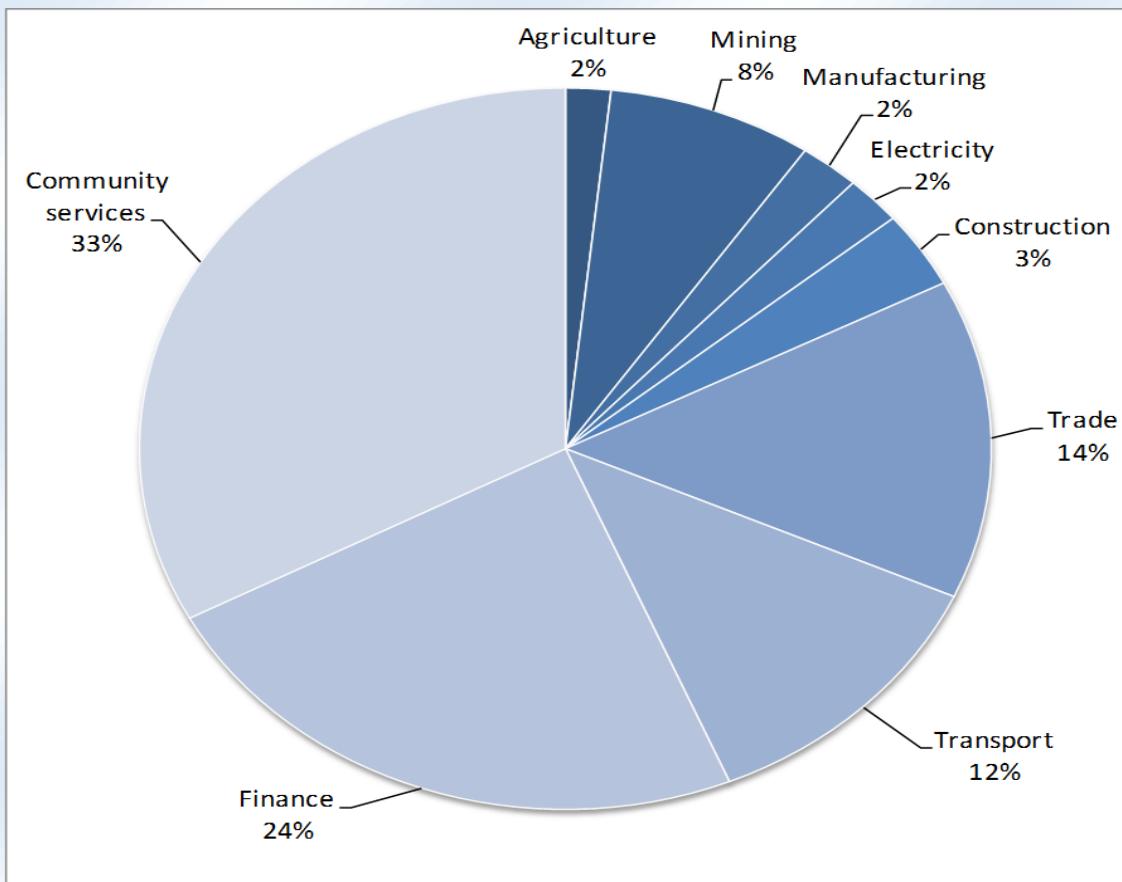


Chart 6: GVA – Broad sector composition, 2010

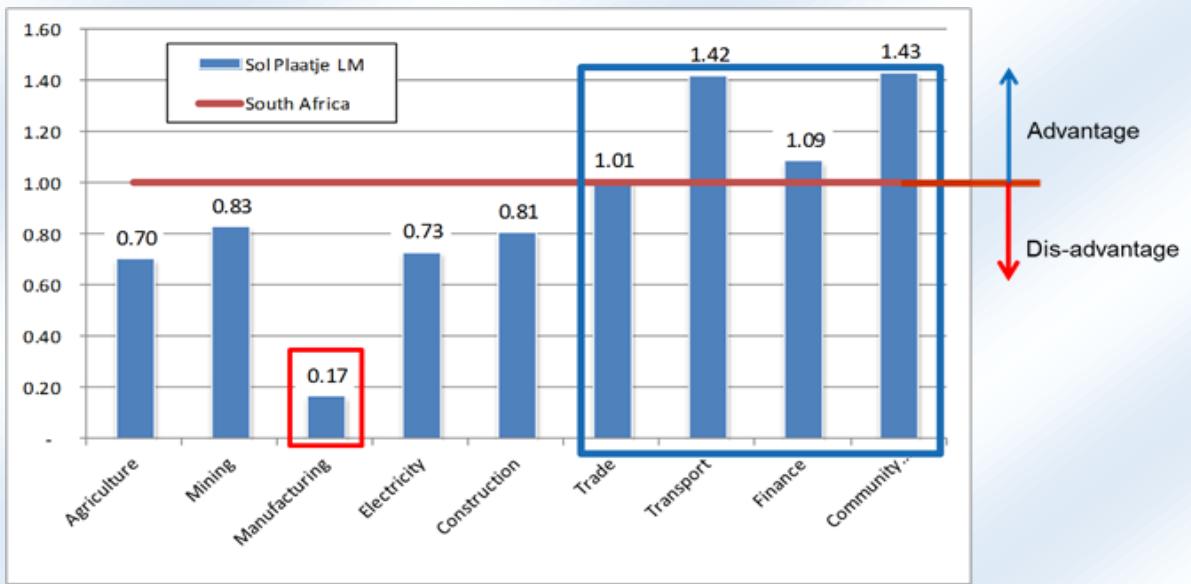


Chart 7: Location Quotient by Sector

From the above chart it can be seen that when compared to the national economy of South Africa, Sol Plaatje Local municipality has a comparative advantage on community services and almost the same advantage on the transport industry. A slight advantage is also noted on

financial services. However, when it comes to specifically manufacturing, Sol Plaatje has a significant comparative disadvantage relative to the country as a whole. In terms of trade the quotient of Sol Plaatje is relatively similar to that of South Africa. Generally speaking, Sol Plaatje has a very narrow economy.

### **Sol Plaatje Municipality's economic growth forecast in 2010 for 2015 – 4,4%!**

#### **Forecasts and Actual Growth (MPC – Sep 2015)**

2013 - 1,9% (Actual)

2014 – Forecast 2,8% (Actual 1,5%)

2015 – Forecast 3,3% (Adjusted 2,8%) – Actual at present 1,5%

2016 - Forecast 3% – (Adjusted 1,6%)

2017 – Forecast 2,1%

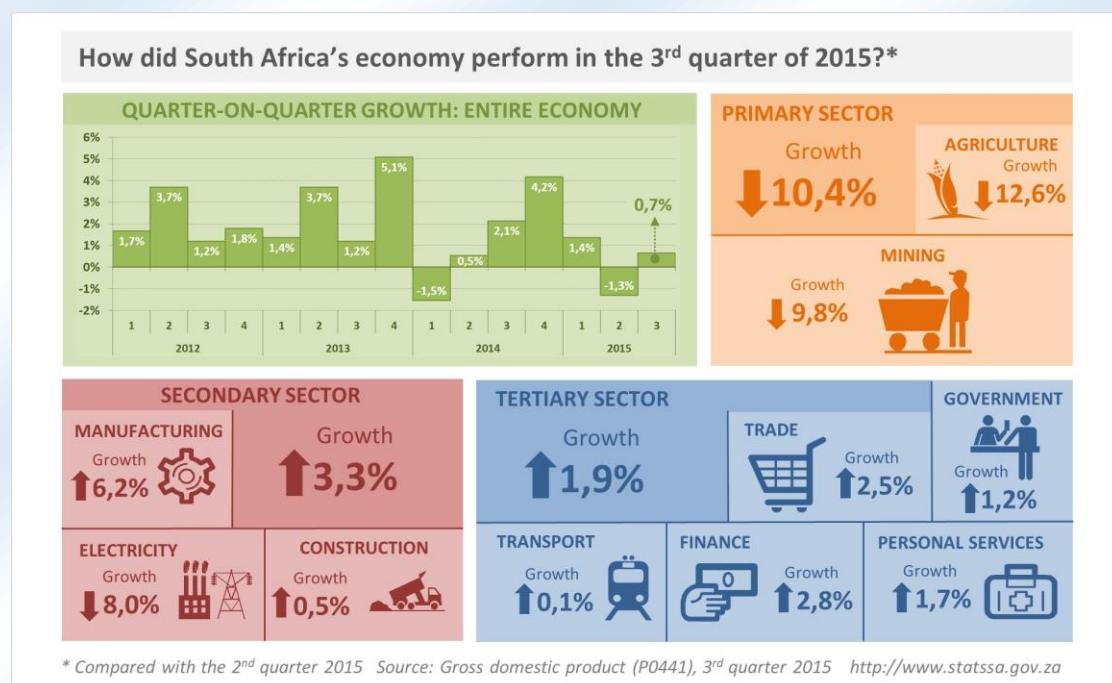
#### **Some of the reasons that the MPC gives for the slow-down in economic growth:**

- Global economic slowdown, especially China
- Goods-producing sectors of the SA economy declined
- Contractions in agriculture, mining and manufacturing
- Growth in the services sectors also moderated
- Sharp decline in the RMB/BER Business Confidence Index to its lowest level since 2011
- Little private sector investment – the only private sector investment increases were into energy-generation projects

#### **Consumers are expected to remain constrained against the backdrop of:**

- slow employment growth
- declining disposable income growth
- rising inflation, and
- tighter affordability criteria for household credit following the implementation of amendments to the National Credit Regulations.

Growth in consumption expenditure by households is only 1,2%



## **2.2 CONTEXTUALISING THE ISSUES RELATING TO DEMOGRAPHIC AND SOCIO-ECONOMIC INFORMATION**

The issues identified above need to consider in reviewing the IDP and preparing the budget for the 2016/17 MTREF. The SPM's population growth is 2,04% (between 2001 and 2010). A large proportion of this growth is in the lower income and indigent component of the population (evidence of this is the growth in informal settlements as found by the NUSP survey for instance). The unemployment rate is 31,9% (youth unemployment 41,7%). Only 10% of SPM's population has a higher education than matric. More than half (55%) of SPM's population also has an income of R3,000 or less per month. All this indicate that economic growth and job creation must (in line with the NDP) be a high priority in SPM as well.

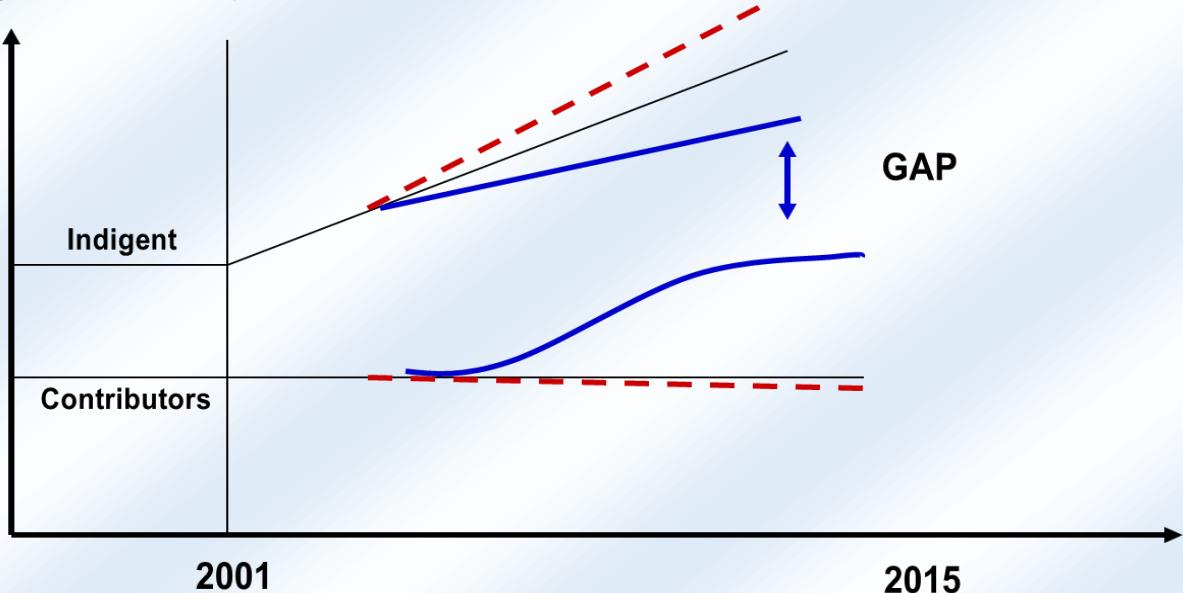
Realizing economic growth in its area and creating sustainable jobs is, however, a huge challenge for SPM as it is in itself not a "big" role-player in this process.

This challenge becomes even greater considering the fact that the primary and secondary sectors is the actual job creating sectors within the economy - especially in an area, such as SPM, where the skills levels are low (refer to level of education above). Unfortunately the primary sectors form a very small portion of the SPM's economy – only 12%. The tertiary sector on the other hand forms 69% of the local economy and these are also the sectors where SPM has a comparative advantage as indicated by the Location Quotient per Sector above.

The state of the economy (in SA at present) should also be considered. The economy only grew by 0,7% in the 3<sup>rd</sup> quarter of 2015 and the MPC has also adjusted its forecast for 2016 from 3% to 1,6% (Statement of the Monetary Policy Committee – 23 September 2015). It is also assumed that the SPM's growth rate is similar to that of the national economy as the last forecast was done in 2010 at a rate of 4,4% growth for SPM in 2015 (IHS Global Insight). Assuming this, then the economic growth rate (1,6%) is below the population rate of 2,04%.

***However, what needs to be determined is what is ACTUALLY happening in SPM's economy. There are notable development and growth in Kimberley (refer to the new hospitals, hotels etc being developed as well as the growth in the residential sector - middle to high income).***

Figure 2: The “Subsidy-Gap”



The figure above indicates the widening gap between the indigent portion of the population and the ‘contributors’ to the economy (red dotted line) – due to the indigent portion growing faster than the “contributor” portion. This relates directly to the high unemployment rate, declining economy as well as people migrating to Kimberley from rural and smaller towns where there are less economic and social opportunities than Kimberley.

This gap must be narrowed as it is an acceptable principle that the “contributors” should subsidize the indigent portion of the population in terms of funding the provision urban services and facilities being provided by the Municipality. However, this gap could reach a point where it will be un-affordable for the “contributors” which could see a collapse of a well-functioning urban area – this is further exacerbated by the fact that Kimberley has very little industries to assist with subsidizing the poor.

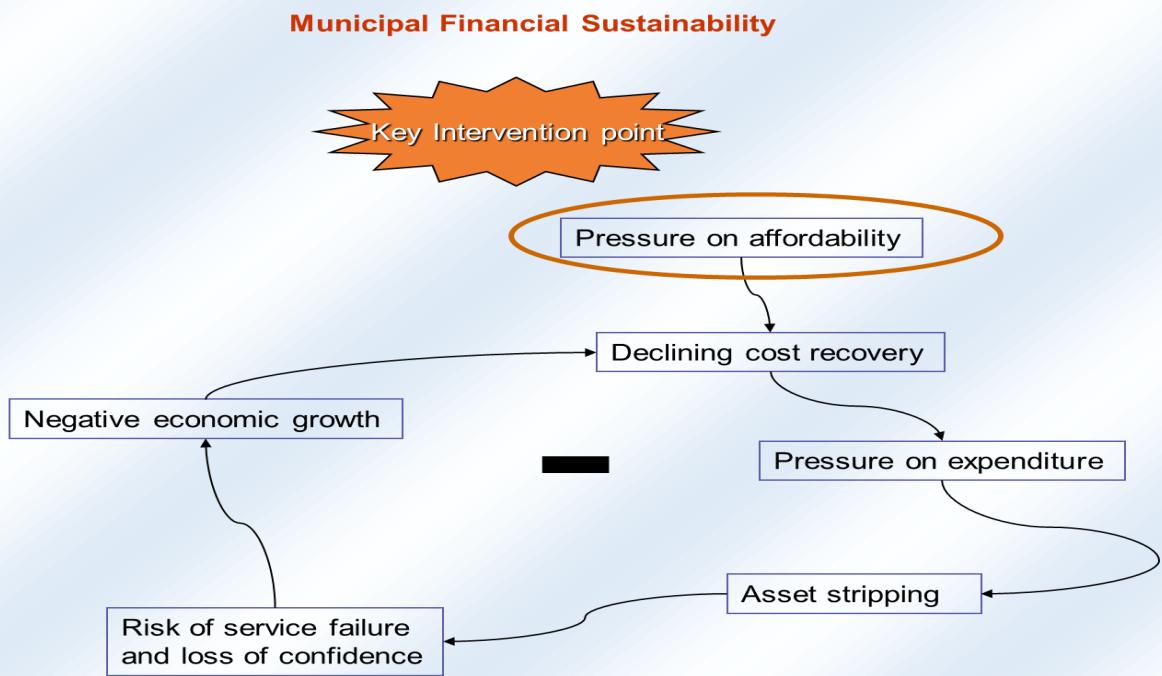
The recent Statement from the MPC (Sep 2015) also indicated that all consumers are expected to remain constrained against the backdrop of slow employment growth, declining disposable income growth due to rising inflation and interest rates.

In order to narrow this gap (blue lines) a two pronged approach is necessary, namely:

1. A job creation strategy for the indigent population in order for them to also contribute towards the creation and maintenance of the urban services and facilities, and
2. Create an enabling environment for private sector investment in order for this segment of the population to grow which will contribute towards sustainable economic growth.

It is of utmost importance to address the above issues as it also negatively influences the financial sustainability of the municipality who is tasked to ensure a livable City by providing

and maintaining the necessary municipal services and facilities. This is illustrated by the figure below.



**Figure 3:** Municipal Financial Sustainability

Issues to be addressed to ensure the financial sustainability of the SPM include, but are not restricted to:

- Economic growth and job creation
- Affordable Municipal Rates
- Increase revenue collection
- Reduce billing lag after development has been completed.
- Differentiated service levels according to affordability
- Core vs Non-core functions – concentrate on core functions (B2B)
- Optimum cost-efficient service delivery
- Reliable and increased infrastructure capacity for growth and development, especially related to connector and reticulation networks – specifically Electricity
- Reduce “Red Tape” for investors who wishes to invest in development in Kimberley

## CHAPTER 3: SITUATIONAL ANALYSIS

### 3.1 STATUS QOU PER KEY PERFORMANCE AREA

#### 3.1.1 LOCAL ECONOMIC DEVELOPMENT

SPM must continue to extent its bulk infrastructure development programme through a Municipal Infrastructure Investment Framework (MIIF). During this process special attention should be given to fully implement the recommendations of the Non-revenue Water Minimization Report's recommendation to address the excessive water losses and ensure and un-interrupted supply of water to all consumers. SPM must strive to attain its water supply strategy which is: *Certainty of supply and water quality*.

Due to excessive pollution of the Vaal River the investigation, to use the Orange River as an alternative source, needs to be expedited. The project entails the investigation of using the Orange River as the water source for Kimberley that will have a futuristic cost saving on the operation and maintenance of the Kimberley water supply system. Currently the water business of Sol Plaatje municipality is becoming unsustainable due to excessive costs of purification due to poor water quality. This initiative is in line with the municipality's strategy of ensuring sustainable water supply to its residents. The current technology at Riverton Water Purification is not designed to purify extreme poor quality water.

Road rehabilitation and development is still a priority. SPM should, however, focus more on applying preventative maintenance to roads such as resurfacing and crack sealing. These methods have proven to be more effective than patching as they would increase the lifespan of roads and thereby cutting future maintenance costs, enabling SPM to rather focus on the construction of new roads. Pothole patching is not an effective maintenance practice since it is reactive maintenance and does not contribute towards the structural enhancement of the pavement. Options need to be explored to source additional funding to maintain and upgrade the roads in SPM.

Bulk Sewer infrastructure has been largely addressed with two sewer treatment works being completed (Beaconsfield 8-9ML and Ritchie 0.5-2.5ML) with Homevale WWTW being still under construction and will be completed in the 2015/2016 financial year. This is clear evidence that bulk sewer is no longer a major crises as it used to be in the past 5 years. However, the major remaining challenge is the sanitation reticulation network that needs major attention. Regular sewer blockages and sewer burst continues to be a health hazard to communities. This problem needs to be resolved through preventative and proactive maintenance strategies. To achieve the above, SPM is currently in a process of procuring a second vacuum truck which will be used to unblock and maintain the municipal sewer system on an ongoing basis.

Similarly the electricity bulk infrastructure has been upgraded and additional bulk has been procured from Eskom. However, the electricity reticulation system is not yet sufficient to accommodate development in certain areas and must be addressed as a matter of urgency.

An Integrated Energy Plan should be developed as a matter of urgency to ensure the integrated and sustainable delivery of electricity.

Another development to be initiated during the 16/17 financial year is the so-called “Cactus and Herb” project, which will be funded by the National Department of Tourism. An implementer for the upgrading of the Platfontein Lodge has been appointed. The project value is around 27million. The project scope includes converting a farm house into a 12 bedroom lodge with ablution facilities, reception area, dining area and swimming pool; convert hall into conference center with kitchen; constructing of guardhouse; upgrading of pump house, sewer and water reticulation and entrance road; cleaning and clearing of Platfontein area. The project will employ approximately 100 participants from the Platfontein area.

The table below summarizes the capital projects identified under this key performance area for the next three financial years. The most significant projects in this area are the development of intermodal transport, taxi ranks and stalls as part of the NDPG projects, as well as the development of the City Hall Precinct (which is depicted in the image below).

Municipal Vote/Capital project R thousand	Program/Project description	Prior year outcomes	2016/17 Medium Term Revenue & Expenditure Framework		
		Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
NDPG	Upgrading of Indian Centre Local Taxi Rank			3 000	
NDPG	Neighbourhood Development Partnership Grant (technical assistance)		400	600	1 000
NDPG	Development of intermodal transport at craven taxi rank and stalls		7 500	7 858	37 420
NDPG	Development of City Hall precinct			10 000	
GURP projects	Tommy Morebedi Sport Stadium	2 325			
GURP projects	Sport Stadium various			3 624	2 079
GURP projects	Airconditioning Community Halls	264	200		
GURP projects	Riverton Access Road	1 225			
GURP projects	Platfontein Access Road	2 209	3 500		
GURP projects	Development of City Halls		200	2 500	2 400
GURP projects	Greenpoint		400		
GURP projects	Corless Road		1 300		
GURP projects	Nobengula Road		232		2 000
Strategy, Economic Development	Phomolong Services of Sites Erven	2 000		2 000	2 000
Strategy, Economic Development	Feasibility studies: Township Establishment	2 250			
			13 732	29 582	46 899

**Table 6: Capital projects (Local economic development)**

## PLANNED DEVELOPMENT OF THE CITY HALL PRECINCT

**KEY PLAN**

**01 - EXISTING TAXI RANK**  
The taxi Rank creates a point of obstruction in the streetscape, interrupting the architectural continuity of the city hall. The function is out of sync with the purpose of a public square and epicentre.

**02 - MARKET SQUARE**  
This public square and planted area with a boulevard running adjacent is a good start to what need to happen around the entire epicentre area which is more suited to a public square than extensive parking.

**03 - PEDESTRIAN BOULEVARD**  
The pedestrian boulevard seems to have been refurbished recently but is continuously littered indicating the need for an innovative waste management system to keep the quality of the area intact.

**04 - CENTER ISLAND AND ROAD SURFACING**  
The centre island could be widened and more distinct planting included to create a similar quality to the boulevard adjacent to the city hall. The heat levels in summer call for a greener CBD than present.

**05 - DILAPIDATED ADJACENT RETAIL AND STREETSCAPE**  
Shops in this zone are not suited to the image of an epicentre. Facades require face-lifting. There are unoccupied shops in this location and generally this kills the vibrancy of the streetscape.

This stretch of street requires repaving and planting along the verge of the pavement. Once the taxi rank is removed this will complement the proposed public square opposite.

**06 - DEAD STREETSCAPE IN NEED OF REVIVAL**  
These streets lack the quality which will allow for a vibrant periphery from the epicentre. They are also important as they link to the magistrates and the Northern part of the precinct. Street lighting, sculpture, new pavements and planting will change the face of these streets.

**07 - PEDESTRIAN CROSSING POINTS TO BE UPGRADED**  
The pedestrian crossing points around the epicentre need upgrading and in the case of the Knight Street Cnr Phakamile Mabija the crossing requires reworking as the bin is placed in the path of movement.

LOCATION- Corner Phakamile Mabija Knight Street  
ISSUE- The taxi rank and small grocer creates an obstructive foreground to the architecture of the city hall which should be the focus of the epicentre.

LOCATION- Old Main Road  
ISSUE- The need for a bolder definition of the streetscape and facade in the front area of the City Hall.

LOCATION- Boulevard at City Hall  
ISSUE- An effective waste management system required in this boulevard. There are no waste receptacles and litter is thrown at the tree bases.

LOCATION- View from Stead Street  
ISSUE- The paved space lends itself better to a green pedestrian square with a street furniture sculpture and lighting.

LOCATION- View from Stead Street  
ISSUE- Buildings around the epicentre are in need of face-lifting to improve the character of the epicentre.

**KEY**

- HERITAGE BUILDING
- RETAIL

EPICENTER 01
Status Quo Analysis - The urban fabric of the existing sub - precinct

Apart from its infrastructure initiatives SPM should also build on its present partnership arrangements in moving towards a Green Economy. In this regard the energy saving programmes funded by the Eskom Demand Side Grant must be enhanced with the work presently being done on Climate Change through the SPM's Sustainable Energy and Climate Change Unit (SECCU). This becomes especially important with the electricity generating capacity crisis prevalent at present nationally. The conservation of energy has become a prominent focus in South Africa – which is also highlighted in the NDP's development goals. To achieve these goals SPM should have clear plans and dedicated funding to implement projects and programmes which support the green economy.

SPM should also make the most of the opportunities offered by the establishment and development of the Northern Cape University. The present inner city revival programme should continue, supporting the development of the inner city component of the University, in order to use it as a catalyst for private sector development. This should be augmented by well-defined and sustainable incentives for economic investment and to reduce "red tape" in development applications to ensure an enabling environment for economic development.

### **3.1.2 BASIC AND SUSTAINABLE SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT**

The Municipality has gone a long way in upgrading its bulk infrastructure to enable growth. It now has to prioritise the reticulation of services to business and households. In this process it is important to take cognisance of the spatial development taking place – both in terms of commercial development and residential development to ensure that the reticulation of services is aligned to the 'space-economic' development of the City.

Below is a table of capital projects concluded during the 2015/16 financial year and new projects identified under this key performance area for the next three financial years, the most significant being the installation of two new high lift pumps and the building of a new pump station at Ritchie. An amount of R37.5 million has been allocated to the resealing and upgrading of roads over the next three financial years.

Funding to the amount of 3 million has also been allocated for the upgrade of the security within Sol Plaatje municipality.

Municipal Vote/Capital project	Program/Project description	Prior year outcomes	2016/17 Medium Term Revenue & Expenditure Framework		
		Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year 2017/18	Budget Year 2018/19
R thousand					
Electricity	Security of plants and infrastructure	7 000	3 000		
Integrated National Electricity Program	General Electrification of houses	2 000	7 400	7 989	2 354
Integrated National Electricity Program	Phomolong	3 500			
Integrated National Electricity Program	Jacksonville services	7 000			
Electricity	Replacement of Prepaid Meters	3 000	2 500	2 500	2 500
Electricity	Highmast Streetlights	1 500			
Infrastructure - Other -Transport	Fleet Replacement Program	7 556	4 000	4 000	4 000
Water	Ritchie Bulk Supply	8 000	15 000	20 000	43 391
Water	Lerato Park Water	1 000	1 000	14 824	
Water	Zone Metering	10 500			
Water	Homevale WWT Lab Equipment	500	4 800		
Water	Replacement of Water Meters	4 000	2 500	3 000	3 000
Water	Riverton High Lift Pumps	14 277	13 230	—	—
Water	Riverton Pump Station	3 000	10 000	12 000	
Water	Kimberley Bulk Water Line	8 300			
Water	Kagisho Dam	2 000			
Sanitation	Homevale WWT 15 ML Upgrade	57 102			
Sanitation	Carters Glen Sewer Pump Station	1 000			
Sanitation	Ablution Facilities for different Wards	3 043			
Sanitation	Stadium Ablution	500			
Sanitation	Services Diamond Park 892 erven &	3 215			
Sanitation	Upgrade of Lerato Park Sewer Line	1 000	1 000	11 821	
Roads and Stormwater	Resealing of Roads	10 000		10 436	17 100
Roads and Stormwater	Roads and Stormwater Projek 1		7 112	8 354	
Roads and Stormwater	Roads and Stormwater Projek 2		4 506	7 706	
Roads and Stormwater	Lindane Roads	170			
		<b>159 163</b>	<b>76 048</b>	<b>102 629</b>	<b>72 345</b>

**Table 7: Capital projects (Infrastructure)**

In addition to the above projects, the upgrade of the municipality's landfill site and the Homevale Fire station should also be mentioned. These projects focus of providing adequate community services within Sol Plaatje municipality.

Municipal Vote/Capital project	Program/Project description	Prior year outcomes	2016/17 Medium Term Revenue & Expenditure Framework			Project information	
R thousand		Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
Fire, Security	Homevale Satellite Fire Station	1 000	8 694	966		Ward 3	New
Waste Management	Upgrade Landfill Site	10 607	17 530	5 255		All	Renewal
Heritage Asset	Upgrade Monuments	10 000				All	New
Community	Upgrade Swimming Pool	1 264	1 200			Ward 5	Renewal
Community	New Cemetery	1 211				All	New
		<b>24 082</b>	<b>27 424</b>	<b>6 221</b>	<b>—</b>		

**Table 8: Capital projects (Community services)**

SPM must as a priority, and in line with the “logic of sector plans”, complete its 5-year integrated and costed “Integrated Infrastructure and Service Delivery Plan” to address the backlogs and need in household services in order to access the necessary funding for the different services from all available sources. Planned capital funding sources for the next three financial years are shown in the table below. It is clear from this table that the funding mix for capital spending is not well balanced at this point, as it is funded only from internally generated funds and grants. As such, the municipality had resolved to borrow a sum R50 million towards upgrade of roads and other services, project business plans are still being prepared and will be finalised as soon as possible. This will result in the funding mix consisting of 28.54% borrowing, 46.55% grants and 24.91% internally generated funds (as shown below).

FUNDING SOURCES CAPEX	2016/17 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK			
	FINAL BUDGET 2015/16	BUDGET YEAR 2016/17	BUDGET YEAR 2017/18	BUDGET YEAR 2018/19
<b>TOTAL CAPITAL BUDGET</b>	<b>201 018</b>	<b>125 204</b>	<b>143 433</b>	<b>124 244</b>
Total government grants	120 213	81 564	104 287	98 705
Borrowing		50 000		
Internally generated funds	80 805	43 640	39 146	25 539
year on year % increase/decrease	-33%	-46%	-62%	-74%
year on year rand value increase/decrease	(39 409)	(37 924)	(65 141)	(73 166)
<b>WEIGHTING</b>				
Government grants	60%	65%	73%	79%
Borrowing	-	29%		
Internally generated funds	40%	35%	27%	21%

**Table 9: Capital funding sources**

The table below indicates the status of the need/backlog and provision of household services in SPM.

Service	Backlog Census 2011	Provision up to 30 June 2015	2015/16 Targets	TOTAL	Balance	PLUS Growth 2011 to 2014
New Houses (subsidised)	7 846	1 668	409	2 077	6	12
New Erven Planned and Surveyed	7 846	1 733	2 000	3 733	4	11
Houses connected to water	8 743	4 231	533	4 764	4	6
Houses connected to sanitation	9 343	5 262	533	5 795	4	5
Houses connected to electricity	9 127	4 505	786	5 291	4	12
Houses provided with waste removal	9 490	2 000	600	2 600	7	12
Roads Rehabilitation/Paving	297 km	37,6 km	2,5 km	40,1 km	257 km	-

**Table 10: Backlog/Need and Planned Provision of Household Services in SPM**

The above targets for water and sanitation are backlogs funded by COGSTHA. At tabling of the budget the Provincial gazette was not available.

As is clear from the table above the SPM still has huge backlogs in terms of households without basic in spite of accelerated service provision, especially in the last 2 financial years. These backlogs are mainly within the informal settlements – although some backlogs occur within the formal areas but is minuscule in comparison with the informal areas.

The above figures further highlight the urgency to complete a costed “Integrated Infrastructure and Service Delivery Plan”. Such a plan will put SPM in a position to submit business plans in time for funding from national and provincial grants to address the above needs/backlogs. Attached is a draft “Integrated Infrastructure and Service Delivery Plan” prepared by the Directorate Infrastructure assisted by the Manager: PMU which should be elaborated on with inputs from all relevant Directorates.

A strategy to address the notion of households to settle in informal areas should also be prepared in order to manage the setting up of informal areas. At present the SPM has prioritised the upgrading of informal settlements to ensure security of tenure to beneficiaries in the short term. SPM is targeting to at least provide 2,000 surveyed erven in the 2016/17 financial year.

SPM also needs to address, in as far as it is within its powers and functions, the other components of the Housing Sector such as “gap” housing as well as middle to high income housing opportunities. This needs to be an integral part of the Human Settlements Plan that are being reviewed at present.

Apart from providing the household service, SPM must also attend to the following service delivery issues:

- A Customer Care Strategy and Plan
- Existing decentralised pay points need to be upgraded to serve communities more effectively
- Develop a strategy on how to sustainably operate and maintain “Community Facilities” – such as community halls, parks, swimming pools, resorts etc.
- Start the process of Ward and Precinct Plans

### **3.1.3 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT**

Below is a list of issues to be addressed within this KPA:

- Increase revenue enhancement
- Affordability of household account
- Increase own capital
- Enhance multi-year budgeting

Due to the present economic climate it is becoming increasingly difficult for consumers to afford their monthly municipal accounts. SPM has to look at innovative ways to make these household accounts more affordable. SPM is also in the process to put measures in place to ensure revenue enhancement – these initiatives should be a high priority.

Also, Sol Plaatje Municipality was selected by National Treasury as a pilot site for the implementation of the municipal SCOAs (Standard Chart of Accounts). These Regulations are called the Standard Chart of Accounts for Local Government Regulations, 2013, (mSCOAs) and take effect on 1 July 2017. As a pilot municipality, the effective date of implementation of mSCOAs for Sol Plaatje municipality was 1 July 2015. This project was successfully implemented during the 2015/16 financial year. However, this is an ongoing project as the effective date for all municipalities to be on mSCOAs is 1 July 2017.

In the pursuance of the goal to be fully mSCOAs compliant by the legislated date, an amount of R4000 000 was allocated towards the upgrade of the financial system to SOLAR, which will enable seamless integration between various systems. The requirement of seamless integration forms part of the mSCOAs evaluation criteria.

### **3.1.4 MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION**

The Mission of SPM, namely: To be a sustainable and efficient municipality, and the Values, namely: customer focus, integrity, transparency, openness and development orientation provides the backdrop for an approach to Human Resource's contribution to the achievement of municipal strategic objectives in the medium to long term. The Human Resource function of the Municipality must therefore be capable to perform its strategic human resource function and not only personnel management.

The current SPM organisational model (in the process of being adopted) still has a number of challenges that need to be addressed specifically the funding thereof. The following pointers pertaining to human resources should be considered as a basis for changing the SPM trajectory.

The proposed SPM HR Strategy aims to align its Human Resources with the Municipal requirements by acquiring, developing and retaining the right staff with competencies that support SPMs IDP objectives and creating a Human Resource framework that promotes efficiency and productivity.

In particular, key changes required in the management of Human Resources at SPM include:

- A revised and consolidated organisation and staff establishment that reconciles with the payroll (without this proper HR management is not possible)
- A properly structured skills development plan, clearly indicating where the most critical skills gaps are and how they will be addressed.
- A Succession Management Plan needs to be put in place (specifically taking the age profile of key staff and managers into account).

Another critical HR deliverable is a culture change programme to reinvigorate the organisation, establish a new code of conduct at all levels and positively enhance the profile of the municipality.

The present Individual Performance Management System (IPMS) must be fully institutionalised to all levels of staff and a Reward and Recognition Policy must be completed to ensure proper buy-in into the IPMS. A process to prepare Standard Operational Procedures for all functions should also be prioritised.

It is also important to enhance the project management skills and processes in the administration to ensure the delivery of capital projects on time, within budget and according to set qualities. In this process the Project Management Unit should play a central role.

### **3.1.5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

According to the Back to Basics Programme good governance is at the heart of the effective functioning of municipalities. SPM must therefore ensure that good governance are prioritised. This lies within the responsibility sphere of the political component of the Municipality and it will now be constantly monitored and evaluated on its ability to carry out the following basics:

- The holding of Council meetings as legislated.
- The functionality of oversight structures, S79 committees, audit committees and District IGR Forums.
- The existence and efficiency of anti-corruption measures.
- The extent to which there is compliance with legislation and the enforcement of by-laws.
- The rate of service delivery protests and approaches to address them.

Public participation is another essential component of good governance namely, putting people first. Measures need to be taken to ensure that the Municipality engages with communities.

The Municipality must develop affordable and efficient communication systems to communicate regularly with communities and disseminate urgent information. The basic measures to be monitored include:

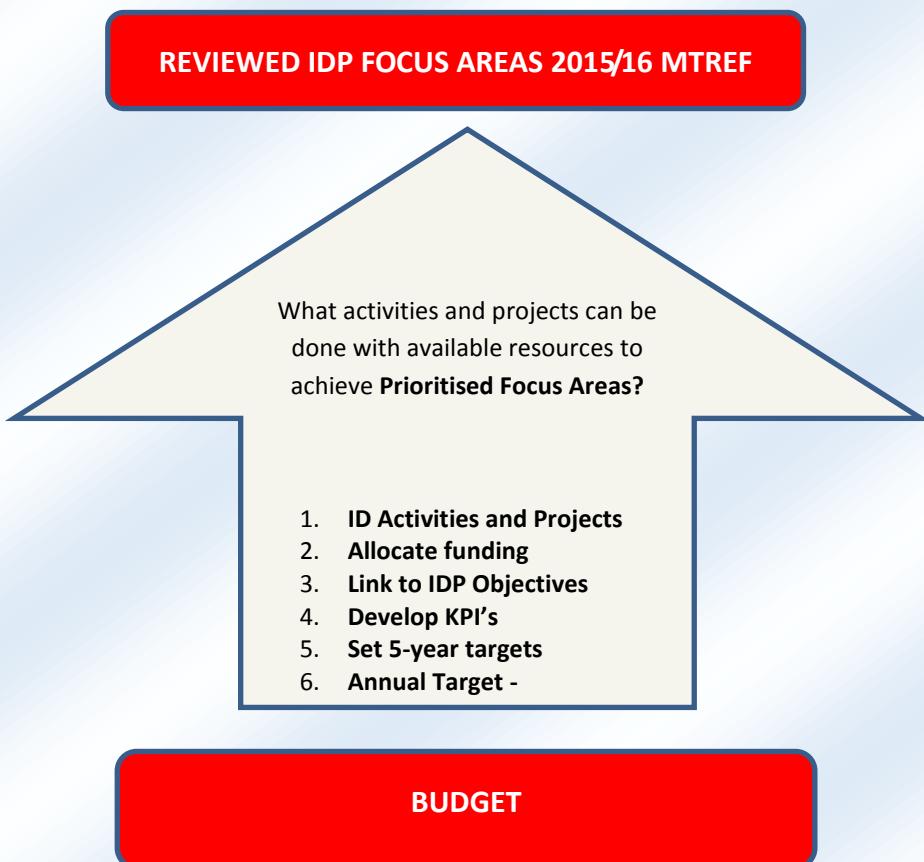
- The existence of the required number of functional Ward committees.
- The number of effective public participation programmes conducted by Council.
- The regularity of community satisfaction surveys carried out.

See also the attached B2B reporting Template.

SPM needs to operationalise the above Strategic Development Agenda. This is achieved by prioritising the IDP Objectives and the activities to achieve them as outlined above and to ensure that the resource allocation of the Municipality over the remaining period of this IDP cycle addresses these priorities. It is also important that it must be possible to monitor and measure whether this is in fact happening. This will only be possible if realistic Key Performance Indicators and Targets are developed for each IDP Objective. The operational resources are contained in the Operational Budget of the 2016/17MTREF. Some of the line items in the Operational Budget need to address the IDP priorities indicated above – especially in light of the B2B programme as not all priorities relate to the capital programme.

Projects and activities must now be identified to address the key focus areas discussed above and must be resourced with the available financial resources from own confirmed funding and gazetted funding from National and Provincial Government. This process is diagrammatically indicated below:

**Figure 4:** IDP/Budget/SDBIP Process



### 3.2 GOVERNANCE FRAMEWORK

The Sol Plaatje Municipality is an organ of state within the local sphere of government exercising legislative and executive authority within its area of jurisdiction as specified by the Local Government: Municipal Demarcation Act 117 of 1998. It consists of the political segment, an administrative component and the community. Sol Plaatje Municipality is a category C Municipality. It has an Executive Mayoral System combined with a ward participatory system. After local government elections in 2011, a 62 member council was elected. There are 31 ward councillors and 31 proportional representatives nominated to council from the list of respective parties.

#### **Roles and responsibilities of political structures**

The roles and responsibilities of the political structures and political office bearers are stipulated in section 53 of the Municipal Systems Act. The roles of the Council, Executive Mayoral Committee and the Executive Mayor are summarised in the table below:

Council	Executive Mayor	Mayoral Committee
Governs by making and administrating laws, raising taxes and taking decisions that affect people's rights.  Is a tax authority that may raise property taxes and service levies	Is the executive and political leader of the Municipality and is in this capacity supported by the mayoral committee.  Is the social and ceremonial head of the Municipality  Must identify the needs of the Municipality and must evaluate progress against key performance indicators.	Its members are appointed by the Executive Mayor from the ranks of councillors, with the exception of the Deputy Executive Mayor who is elected by the council and is an ex officio member of the mayoral committee.
Is the primary decision maker and takes all the decisions of the Municipality except those that are delegated to political structures, political office bearers.  Individual councillors or officials; can delegate responsibilities and duties for the purposes of fast and effective decision making.  Must strive towards the constitutional objects of local government.  Must consult the community with respect to local government matters.  Is the only decision maker on non-delegated matters such as the approval of the IDP and budget.	Is the defender of the public's right to be heard  Has many responsibilities with respect to the annual budget, the budget process, budget control and various other financial matters.  Performs the duties and exercises the responsibilities delegated to her by the council.	Its functional responsibility is linked to that of the Executive Mayor to the extent that she must operate together with the members of the mayoral committee.  Its primary task is to assist the Executive Mayor in the execution of her powers – it is in fact an extension of the office of Executive Mayor.  The committee has no powers on its own, decision making remains that of the Executive Mayor.

**Table 11: Roles and responsibilities of political structures**

The political structure and composition is based on the Executive Mayoral Committee (MayCo) system. The Mayoral Committee reports to the Municipal Council whose duties are defined so as to ensure proper decision making and appropriate allocation of funds. The Council must adhere to the Protocol of Corporate Governance in the Public Sector (1997) and a host of relevant legislation.

The MAYCO is appointed by the Executive Mayor. It exercises powers, functions and duties designated to it by the Executive Mayor and Council. These powers, functions and duties are performed and exercised by the Executive Mayor, Cllr D. Molusi together with the members of the MAYCO as follows;

## **Executive management structure**

The Municipal Manager as head of the administration is responsible and accountable for tasks and functions as provided for in Section 55 of the Systems Act, other functions/tasks as provided for in legislation, as well as functions delegated by the Executive Mayor and Council. He is responsible for the implementation of the IDP under the direction and guidance of the Municipal Council. The Municipal Manager is supported by executive managers appointed in terms of Section 57 of the MSA. The Development Priorities of the municipality as contained in the IDP cannot be achieved without people (human resources) and therefore the effective management of human resources makes a vital contribution to achieving these goals. The Sol Plaatje Municipality, through its salary budget, human resource management policies, practices, systems, etc. recognises that its employees are central in realising the vision and mission of the organisation. There is, therefore, close alignment between the way in which the administration is structured and resourced through its operational and salaries budget, the IDP objectives and the performance targets of the municipality.

As such, there has to be a focus on building strong municipal administrative systems and processes. This includes ensuring that administrative positions are filled with competent and committed people whose performance is closely monitored. Targeted and measurable training and capacity building will be provided for councillors and municipal officials so that they are able to deal with the challenges of local governance as well as ensuring that scarce skills are addressed through bursary and training programmes. The basic requirements to be monitored include:

- Ensuring that the top six posts (Municipal Manager, Finance, Infrastructure Corporate Services, Community development and Development Planning) are filled by competent and qualified people.
- That the municipal organograms are realistic, underpinned by a service delivery model and affordable.
- That there are implementable human resources development and management programmes.
- There are sustained platforms to engage organised labour to minimise disputes and disruptions.
- Importance of establishing resilient systems such as billing.

The Municipality is attending to most of the above issues – albeit in an ad-hoc manner. These activities and actions should be done in a more integrated manner. It is therefore important that these issues should be incorporated in the IDP Objectives. SPM is reporting on the B2B programme via provincial COGHSTA and therefore these issues should also form part of the SDBIP's KPI's and targets – this will result in attending to these issues continuously and in a more integrated manner – rather than only attending to these issues on a quarterly basis when reports are due.

### **3.2.1 LOCAL GOVERNMENT MANAGEMENT IMPROVEMENT MODEL**

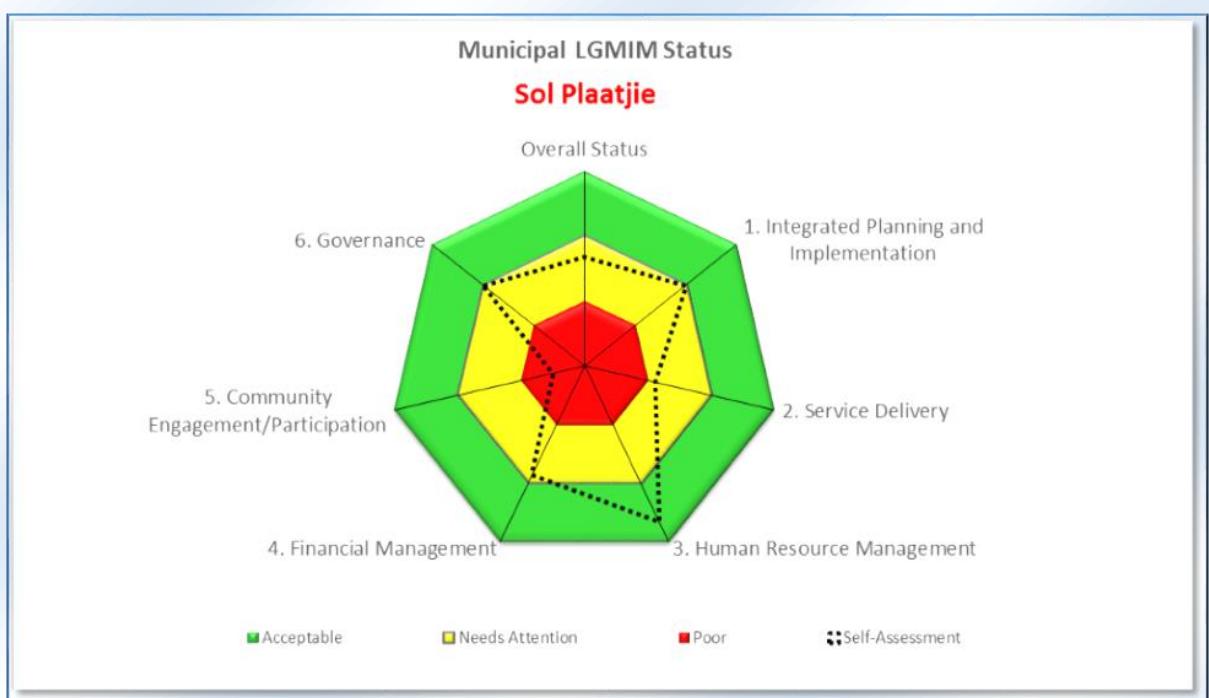
Linked to the above is the Local Government Management Improvement Model. The LGMIM assesses compliance and quality of management practices of municipalities. It serves two

important purposes, namely, learning or improvement, and accountability. It also provides a holistic or integrated picture of the state of management practices within municipalities. Municipalities can then be benchmarked against each other and best practices can be exchanged in order to enhance local government in general.

The LGMIM does not include an assessment of actual deliverables against planned deliverables and it does not assess the performance of individual officials. It is therefore not a performance management system but measures the Municipality's compliance and management practices within the following key performance areas:

- o Integrated Planning and Implementation
- o Service delivery
- o Human Resource Management
- o Financial Management
- o Community Engagement
- o Governance

The LGMIM also does not duplicate existing legal, regulatory and prescribed best practices. It draws these together into a single coherent framework.



**Figure 5:** Local Government Management Improvement Model

The figure above indicates the Sol Plaatje Municipality's self-assessment in terms of the above as at 20 November 2015.

According to the above figure the areas where special attention should be given in terms of compliance and management practices are within the Service Delivery and Community Engagement/Participation KPA's.

## CHAPTER 4: INTEGRATION OF THE IDP

### 4.1 LINKAGE OF THE IDP TO OTHER STRATEGIC DOCUMENTS

Sol Plaatje did not develop its IDP in isolation. A range of National and Provincial policy documents informs IDP thinking and creates an important context for its own plans and strategies.

In the spirit of the National Planning Commission's "National Development Plan - Vision 2030", stronger social partnerships between government, organised labour, organised business and the community constituency are needed to address investment, employment and poverty challenges our country faces.

Government has therefore developed a range of intervention approaches to support and guide action on growth and development. The two most important of these documents, at present, in relation to local government are:

#### 4.1.1 National Development Plan (NDP) – Vision 2030

National Development Plan is about both growth and redistribution and there are many aspects to this transformation challenge:

- How we utilise land and our mineral resources,
- How we organise transport, energy and communication networks,
- How we manage cities and local government,***
- How we improve education and health services,
- How we reform our social security and welfare services,
- How we broaden ownership and enterprise development, and
- How we engage with Africa and the rest of the world.



**Figure 6:** The National Development Plan – Vision 2030

Although municipalities can also contribute to most of the above themes it is in the areas of managing cities and local government where it plays its specific role in contributing towards the NDP

However, the National Development Plan (NDP) – Vision 2030 has been given greater emphasis as the point of departure for all spheres of Government in terms of planning and budgeting for next 20 to 30 years. The Plan includes integrated strategies for accelerating growth, eliminating poverty and reducing inequality. The NDP further emphasises lowering the cost of living for households and reducing the cost of doing business, especially for small and emerging enterprises.

In light of the above and for SPM to contribute towards the vision of the NDP it needs to, as a priority, embark on a process to develop a Growth and Development Strategy with a long term (30 year) planning horizon.

The main objective of the GDS will be to address the following question:

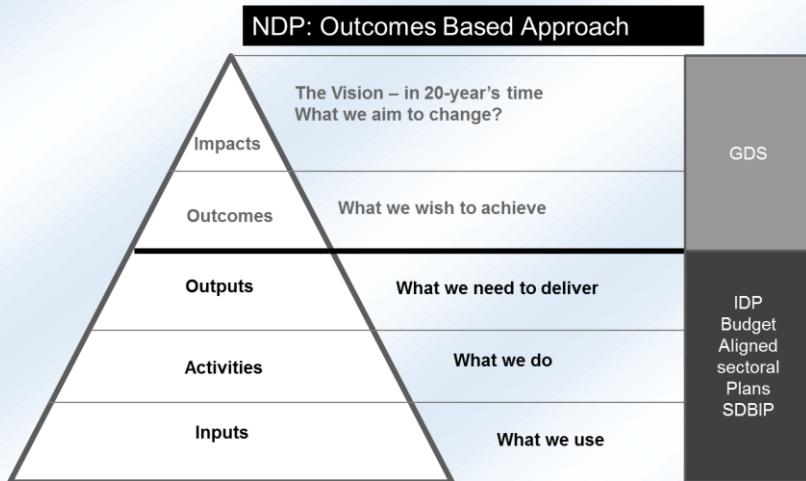
***“What will Sol Plaatje be able to offer a child born today in Galeshewe in 30 years’ time? Can we be sure that such a child will have access to a dignified quality of life, be equipped with the right skills and have access to quality services and employment?”***

The truth is that this question cannot be answered today. SPM also cannot presume that anything will be better in the future unless it acts today!

At present the long term planning framework of the Municipality is fragmented and to a large extent incoherent which complicates development decision making and management due to its sectoral (silo) approach. A variety of plans and frameworks exist but the integration and alignment of these plans and frameworks are weak and outdated.

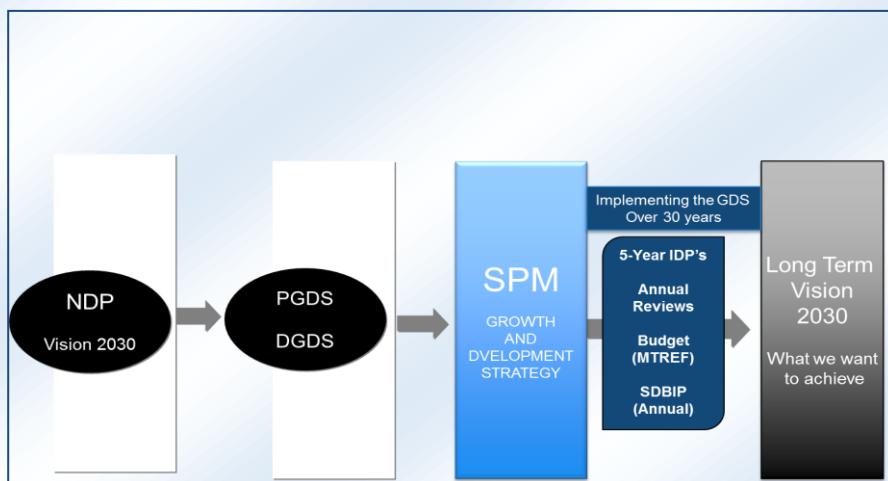
Through the GDS process SPM can achieve proper alignment between the different spheres' of government's plans and policies as well as sectoral and budget alignment. This is demonstrated in the illustration below:

**Figure 7: NDP Outcomes Based Approach**



At present there exists a “gap” in the SPM’s planning hierarchy in the sense that from a long-term planning perspective on national, provincial and district level the SPM is forced to align its planning with these documents on a “medium-term” perspective instead of a long-term perspective such as the GDS. In the illustration below this “gap” is filled with the SPM GDS which will then feed into the 5-year IDP’s.

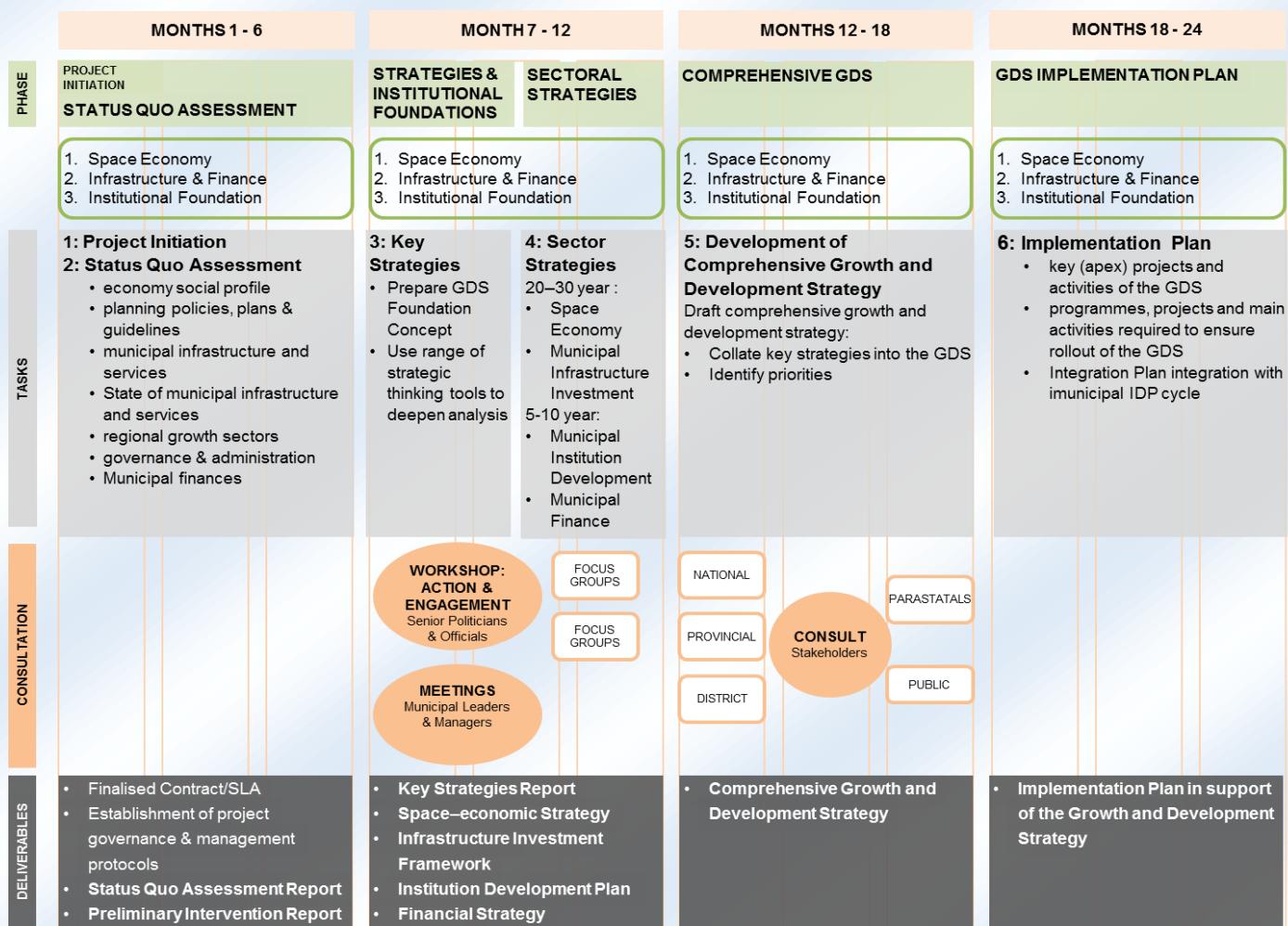
### The GDS in the Planning (IDP) and Budgeting Context



**Figure 8: GDS in the Planning and Budgeting Context**

The illustration above indicates how this process will unfold to ensure:

1. Proper alignment to national provincial and district long-term plans and policies.
2. Alignment and linkage between all sectoral issues such as the space-economy (SDF and LED Strategy), municipal infrastructure investment (MIIF), municipal financial management and sustainability (financial plan) and municipal institutional development (institutional plan).
3. Transformation of the current development policy framework into one that is integrated, coherent, strategic and user friendly.
4. In-depth collaboration and consultation with all relevant stakeholders to ensure a common vision and understanding of the future growth and development path of SPM.
5. An implementation framework with key apex projects and activities linked to programmes and projects and main activities – with funding alternatives - that will be integrated with the municipal 5-year IDP and Budget cycles.



**Figure 9: Process in Preparing the GDS**

#### **4.1.2 Back to Basics programme**

The National Development Plan makes it clear that meeting the development and transformation agenda requires functional municipalities and a capable machinery at a local level that can create safe and healthy and economically sustainable areas where citizens and people can work, live and socialise.

The goal of the B2B Programme is to improve the functioning of municipalities to better serve communities by getting the basics right.

Municipalities must therefore:

- Develop fundable consolidated infrastructure plans.
- Ensure infrastructure maintenance and repairs to reduce losses with respect to
- Water and sanitation.
- Human Settlements.
- Electricity.
- Waste Management.
- Roads.
- Public Transportation.
- Ensure the provision of Free Basic Services and the maintenance of Indigent register.

## CHAPTER 5: SECTORAL PLANS

### 5.1 EXISTING SECTORAL PLANS AND THE RELEVANCE THEREOF

It is also important to ensure, through the GDS process, the sectoral alignment as mentioned above. At present SPM has a range of sectoral plans (see table below) which at this stage is to a large extend fragmented, incoherent and outdated. This complicates planning, decision making and management.

**Table 12: Existing Sectoral Plans**

Sector Plan	Contribution to IDP Objectives	Status
<b>Spatial Development Framework (SDF) and aligned Land Use Management System (LUMS)</b>	<p>The SDF sets out the objectives for the desired spatial form of the municipal area. It also contains strategies relating to the desired pattern of land use. It also addresses spatial reconstruction and provides strategic guidance for the location and nature of future development in the Municipality. It contains a strategic assessment of the environmental impact of the SDF and identifies programs and projects for the development of land within the municipality. The SDF also sets guidelines for a land use management system.</p> <p>While the SDF deals with spatial policy issues the Land Use Management System (LUMS) gives effect to these policies and can be seen as the implementation tool of the SDF. The LUMS consist of a set of Zoning Plans which indicate the specific use allowed on the land parcel as well as a set of Scheme Regulations setting out the detail development prescripts for each parcel of land.</p>	<p>An SDF was adopted by Council in 2005 and a review was adopted by Council in May 2009. Linked to the review of the SDF is the preparation of a The LUMS which was published in June 2012 and became fully operational in July 2012.</p> <p>However the SDF and LUMS needs to be reviewed as it is currently not aligned to SPLUMA.</p>
<b>LED Strategy</b>	<p>The LED Strategy was prepared to investigate the options and opportunities available to broaden the local economic base of Sol Plaatje in order to address the creation of employment opportunities and the resultant positive spin-off effects</p>	<p>A LED Strategy was adopted by Council in 2009 and is due for a review.</p>

Sector Plan	Contribution to IDP Objectives	Status
	<p>throughout the local economy. Poverty and lack of economic development are two indicators of the sub-optimal functioning and operation of a development system, creating a poverty trap with a range of developmental and social problems.</p> <p>The creation of an economic base through the LED Strategy is deemed critical, since the local economy of Sol Plaatje is largely dependent on a select few sectors such as community services, mining and retail for the generation of production and employment opportunities. The local economy is very vulnerable with respect to any shock (contraction or change) within these sectors, which could have a devastating effect on local communities in terms of job losses. This phenomenon is already evident within the Mining Sector as many mineworkers in the study area and the Province as a whole, have over the last few years, experienced retrenchments and job losses.</p> <p>It should be noted that strategy formulation is regarded as a process and this process can be applied to initiate economic development and inform the establishment of economic development partnerships between the local municipality, the community as well as the private sector. The strategy should not be regarded as an end in itself, but rather as a dynamic and pro-active tool to be used by the municipality to promote regeneration and economic development.</p>	
<b>Integrated Transport Plan (ITP)</b>		Council adopted its ITP in October 2006. This plan is now due for review especially in relation to the “Space-economic Strategy”.
<b>Water Services Development Plan (WSDP)</b>	The Water Services Act, 1997 (Act 108 of 1997) requires municipalities which have been authorized to render the water services provision function (Water Services Authorities) to:	SPM in the process to prepare a WSDP in accordance with the new Guideline framework of DWA. Dwa is also in the process to review IDP assessment framework in consultation with CoGTA

Sector Plan	Contribution to IDP Objectives	Status
	<ol style="list-style-type: none"> <li>1. draft a Water Services Development Plan as part of their IDP process</li> <li>2. elicit comments on draft WSDP</li> <li>3. consider and report consideration of comments</li> <li>4. finalize and adopt the WSDP</li> <li>5. supply copies to DWS, CoGTA &amp; neighbouring WSA's</li> <li>6. incorporate the WSDP into the IDP</li> <li>7. report on the implementation of the WSDP every year</li> </ol>	to align with WSDP Guide Framework
<b>Disaster Management Plan (DMP)</b>	<p>The Disaster Management Act (No 57 of 2002) emphasis four main objectives, to be executed by all municipalities, namely;</p> <ul style="list-style-type: none"> <li>o The compilation of a Disaster Management Framework (DMF).</li> <li>o The execution of comprehensive disaster hazard, vulnerability and risk assessment.</li> <li>o The compilation of disaster management plans.</li> <li>o Establishment of a Disaster Management Centre.</li> </ul> <p>These four objectives aim to help formulate and implement appropriate disaster risk reduction strategies</p> <p>The Disaster Management Plan guides all role players on how to proactively manage disasters, respond to disasters and recover from disasters.</p>	The Disaster Management Plan was adopted by Council in August 2008. This plan is due for revision.
<b>Integrated Waste Management Plan (IWMP)</b>	<p>The overall aim of the IWMP is to set out the direction required for the effective management of waste within SPM that will result in activities that will not only align those activities with the legislative compliance required but will have a positive effect on the health and wellbeing of</p>	An Integrated Waste Management Plan has been adopted by Council in October 2011 and programmes/projects emanating from this plan have been included in the 5-year Action Plan of this IDP.

Sector Plan	Contribution to IDP Objectives	Status
	<p>communities and the environment.</p> <p>The IWMP addresses the following focus areas:</p> <ul style="list-style-type: none"> <li>○ Review the current routes of collection and implement a cost effective and sustainable system of collection in all areas within SPM.</li> <li>○ Ensuring a positive impact on the health of communities.</li> <li>○ Limiting the impact on the environment.</li> <li>○ Compliance with relevant legislation.</li> <li>○ Encouraging community participation through mobilization, education and awareness programmes.</li> <li>○ Proper management of the refuse disposal site so as to ensure legislative compliance and limited impact on the health of communities and the environment.</li> <li>○ Proper and effective monitoring and control of all processes.</li> <li>○ Facilitation of effective waste minimization projects through recycling, avoidance, reduction and proper disposal with the focus on entrepreneurship development.</li> <li>○ Implementation of resources required and the effective management thereof.</li> <li>○ Prevention of air, water and soil pollution.</li> <li>○ Effective law enforcement.</li> <li>○ Eradicate illegal dumping and littering on municipal, public and private property.</li> </ul>	
<b>Integrated Environmental Management Plan</b>	The IEPM presents an IDP sector plan, which strives to achieve the following:	The Environmental Status Quo document (IEPM Volume 1), has been

Sector Plan	Contribution to IDP Objectives	Status
(IEMP)	<ul style="list-style-type: none"> <li>○ To ensure that municipal development strategies and projects take cognisance of: <ul style="list-style-type: none"> <li>● Existing environmental problems and threats; and</li> <li>● Environmental assets;</li> </ul> </li> <li>○ To ensure that the Chapter 1 principles of the National Environmental Management Act (Act No. 107 of 1998) are applied when: <ul style="list-style-type: none"> <li>● Strategies are designed; and</li> <li>● Projects planned;</li> <li>● To ensure a healthy environment by ensuring that:</li> <li>● Urgent environmental issues are addressed; and</li> <li>● Envisaged projects have no negative impacts on the natural environment.</li> </ul> </li> </ul>	<p>completed in Jan 2012 and takes stock of the environmental profile of SPLM in terms of the current state of the Municipality's environmental features and their associated issues.</p> <p>Volume 2 of the IEMP provides the strategic framework and interventions for addressing prioritised environmental issues and harnessing the potential of natural assets. Volume 2 has been completed in Mar 2012 and the IEMP is in its approval phase.</p>
<b>Municipal Infrastructure Investment Framework (MIIF)</b>	<p>The Municipal Infrastructure Investment Framework should address the following critical issues:</p> <ul style="list-style-type: none"> <li>○ Bulk Infrastructure requirements (electricity, water, sanitation, waste disposal and transport network)</li> <li>○ Infrastructure network (reticulation) requirements (electricity, water, sanitation, roads, waste management – telecom and IT)</li> <li>○ Replace and refurbish existing and ageing Infrastructure (electricity, water, sanitation, solid waste disposal and the transport network. Upgrade and extent the existing IT and telecom infrastructure network</li> </ul>	<p>Due to the seriousness of the bulk infrastructure backlog the Municipality commissioned a feasibility study to quantify the actual infrastructure backlog and to come up with a funding model. The feasibility study focused on critical infrastructure delivery such as water, sanitation and electricity capacity. This feasibility study was accepted by Council in 2010 and will inform the MIIF.</p>

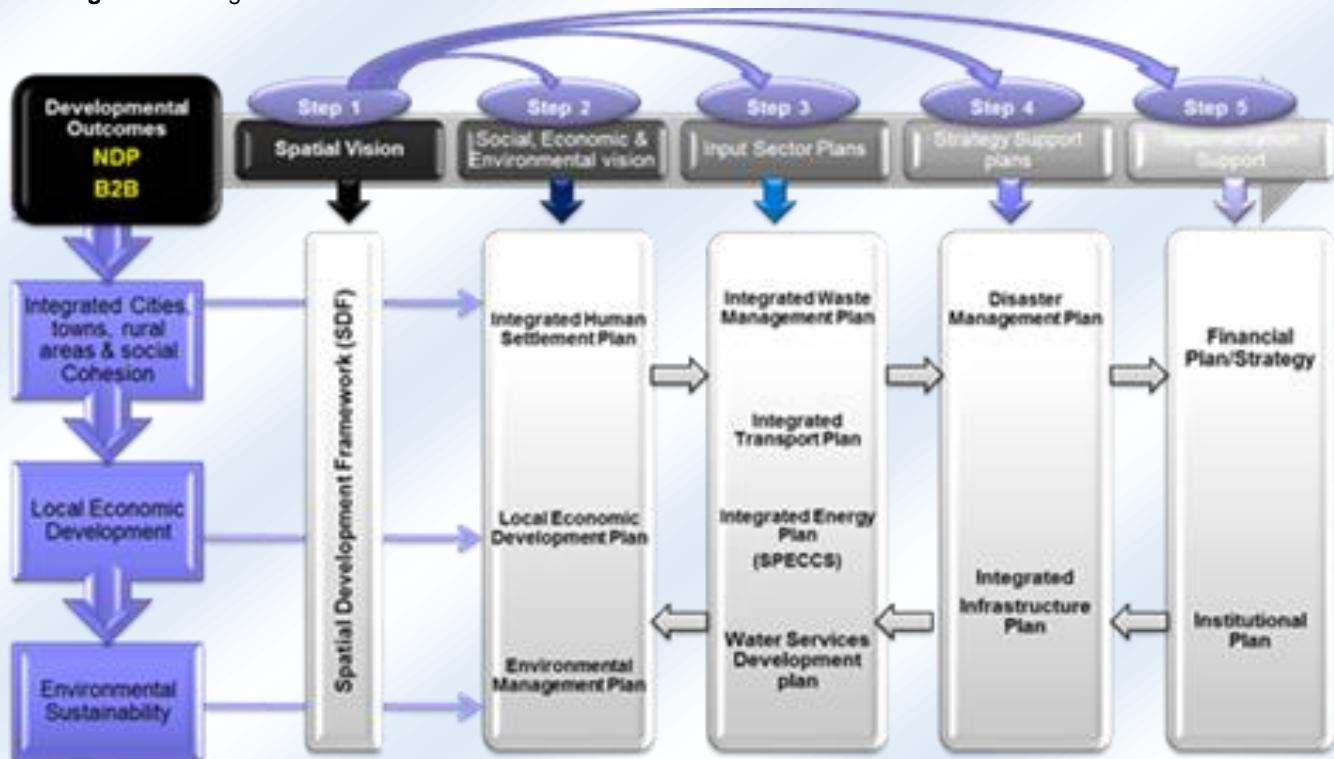
Sector Plan	Contribution to IDP Objectives	Status
	<ul style="list-style-type: none"> <li>○ Provide sufficiently for infrastructure operations and maintenance requirements (electricity, water, sanitation, solid waste disposal, roads, stormwater and the IT and telecom networks)</li> </ul>	
<b>Financial Plan</b>	<p>The Financial Plan should define sound financial management and expenditure control as well as means of increasing revenues and external funding for the Municipality to achieve its development priorities and objectives. It will further address:</p> <p>Revenue raising strategies</p> <ul style="list-style-type: none"> <li>○ Asset management strategies</li> <li>○ Financial management strategies</li> <li>○ Capital financing strategies</li> <li>○ Strategies that will enhance cost-effectiveness</li> <li>○ Operational financing strategies</li> </ul>	<p>According to the Municipal Systems Act a Financial Plan should be a core component of the IDP. This plan is in the process of being finalised and will inform this IDP's 5-year Action Plan.</p>
<b>Institutional Plan</b>	<p>The SPM's Institutional Plan will address:</p> <ul style="list-style-type: none"> <li>○ A revised HR Policies and Procedures Handbook were prepared.</li> <li>○ A reconciliation of the April, May and June 2010 payroll with the organisation establishment was conducted</li> <li>○ An assessment of changes required to Macro and Micro Organisational Structure was completed and proposals on the "to be" Organisational Structure were drafted</li> <li>○ A draft Human Resource Strategy Report was prepared.</li> </ul> <p>Linked to the above process an assessment was also done on the strengths and weaknesses of the current Sol Plaatje</p>	<p>As part of its Turnaround Strategy and OPCAR the Sol Plaatje Municipality has identified Institutional Building as a key focus area in line with the National Local Government Turnaround Strategy and Outcomes Based. An institutional overview indicated the critical interventions that were required in this area and has been included in a draft plan which is in its approval phase.</p> <p>A revised Political Governance Model was adopted and implemented during 2011.</p>

Sector Plan	Contribution to IDP Objectives	Status
	Municipal Political Governance Model and it was revised in line with relevant legislation.	
<b>Integrated Human Settlement Plan</b>	<p>The aim of the IHSP is to identify the location and nature of specific housing projects in the greater SPM area, the combined effect of which is to meet the net housing need in the area, insofar as possible within the strategic framework of the SPM IDP, taking into account the realities of development on the ground.</p> <p>The IHSP should be read with the IDP which remains the principal strategic planning instrument which guides and informs all planning and development and all decisions with regard to planning, management and development in the municipality.</p>	An IHSP has been adopted by Council in October 2011 and programmes/projects emanating from this plan have been included in the 5-year Action Plan of this IDP.
<b>Ward Based Plans</b>	<p>Practical implementation plans should be prepared for each ward to include the following – in order to create sustainable livelihoods:</p> <ul style="list-style-type: none"> <li>○ One needs to develop a “pro-forma” for these plans – they need to address the same things, follow the same process and look the same.</li> <li>○ The plan needs to provide some community perspective/back ground, a statement of needs and then a plan.</li> <li>○ The plan needs to address 1-year, 3-year and 5-year needs.</li> <li>○ All service and functional areas need to be addressed.</li> <li>○ A useful planning and monitoring tool to use is a matrix. The matrix effectively links plan, budget, responsibility and performance in one document/page.</li> <li>○ The plan should also be illustrative.</li> </ul>	

## 5.2 THE LOGIC OF SECTOR PLANS

Through the development of a Growth and Development Strategy SPM will also be in a position to transform the current policy framework (including the sector plans) into one that is integrated, coherent, strategic and user-friendly. A strategic user friendly document can be produced through the GDS process that integrates and references all municipal plans, strategies and programmes related to the SPM's long term integrated space-economic vision and goals. This will result in the "logic of sector plans". This is illustrated in the diagramme below – which follows a logic sequence.

**Figure 10:** Logic of Sectoral Plans



From the illustration above SPM should:

- In the first instance look at how it can, on a local level, contribute towards the national development outcomes in creating integrated cities that include social cohesion.
- Secondly, how it can ensure an enabling environment for local economic development, and
- Thirdly, how it can contribute towards environmental sustainability.

The three above mentioned national strategic objectives (which also aligns to the principles of sustainable development) can be achieved by utilising the "logic of sector plans", in the absence of a Growth and Development Strategy, as illustrated above:

## **Step 1: The Spatial Vision**

Everything happens in a space. The above objectives therefore need to be spatially organised. Section 26(e) of the Local Government: Municipal Systems Act, No. 32 of 2000 (the “MSA”) requires all municipalities to compile Spatial Development Frameworks (the “SDF”) as a core component of Integrated Development Plans (the “IDP”). It is therefore important that the SPM has a Spatial Development Framework in place that will ensure an integrated and optimal spatial development of the City and its surrounding areas. SDF will give effect to National, Provincial and Municipal Planning and Alignment of the strategic frameworks of other spheres as well as sector plans i.e. Housing Sector Plan.

The NDP, for instance, stresses the importance of a strong and efficient spatial planning system, well integrated across the spheres of government. In this endeavour it promotes the following actions:

- Reforms to the current planning system for improved co-ordination (SPLUMA is one example).
- Develop a strategy for densification of cities and resource allocation to promote better located housing and settlements.
- Substantial investment to ensure safe, reliable and affordable public transport.
- Introduce spatial development framework and norms, including improving the balance between location of jobs and people.
- Conduct a comprehensive review of the grant and subsidy regime for housing with a view to ensure diversity in product and finance options that would allow for more household choice and greater spatial mix and flexibility. This should include a focused strategy on the housing gap market, involving banks, subsidies and employer housing schemes.
- National spatial restricting fund, integrating currently defused funding.
- Establish a national observatory for spatial data and analysis.
- Provide incentives for citizen activity for local planning and development of spatial compacts.
- Introduce mechanisms that would make land markets work more effectively for the poor and support rural and urban livelihoods.

SPM has a SDF in place that should be reviewed to establish whether it still addresses the challenges as envisaged to create an integrated City that include social cohesion in terms of its space-economic development .

## **Step 2: Social, Economic and Environmental Vision**

This step elaborate on the detail within the Spatial Vision namely to articulate the social -, economic -, and environmental vision through the following strategic plans, namely:

- An Integrated Human Settlement Plan
- A Local Economic Development Plan
- An Environmental Management Plan

These plans need to articulate in detail how SPM will transform its human settlements as envisaged by both the NDP and B2B in order for it to be socially and economically integrated and environmentally sustainable within the Spatial Vision.

These plans are especially important as it is the strategic priorities that should inform the Municipalities actions and allocation of resources. The B2B especially emphasises the output and impact of these plans.

Although SPM has prepared all three these plans – they were developed in isolation and therefore are fragmented and incoherent and complicates planning, decision making and management. It also do not contribute meaningful towards the goals and objectives of the NDP and B2B.

### **Step 3: Input Sector Plans**

This step refers to the input that is necessary to realise the strategic plans mentioned in Step 2. It is the actual action plans that deal with the infrastructure and services such as:

- Integrated Waste Management Plan
- Integrated Transport Plan
- Integrated Energy Plan
- Integrated Water Services Development Plan

The important aspect of these plans are that they should include specific projects with time frames and budgets (including funding sources)

### **Step 4: Strategy Support Plans**

The strategy support plans is complementary to the input plans and deal specifically with disaster management and a Municipal Infrastructure Investment Framework (MIIF).

### **Step 5: Financial Strategy/Plan and Institutional Plan**

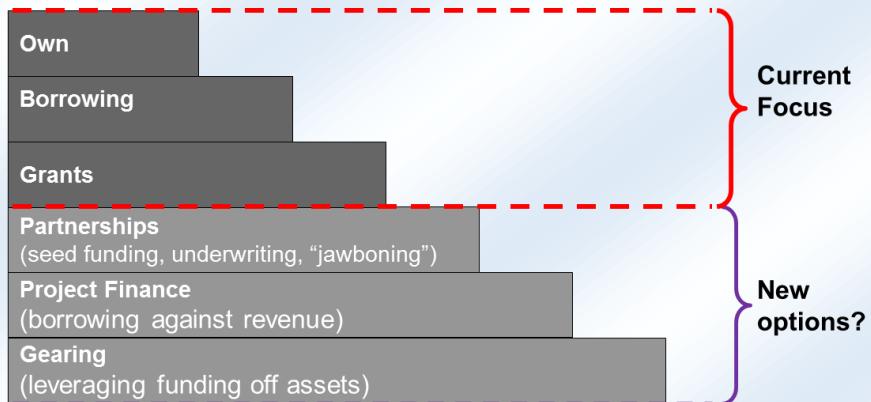
The last step in the sequence of the “logical sector plans” is the resources needed to implement these plans. At this stage the Municipality is aware of what it needs to implement to achieve its goals and objectives and therefore need to allocate the necessary resources, which will include:

- The Financial Strategy/Plan
- The Institutional Plan (Human Resources)

By following the above process SPM will ensure that it structurally addresses all the issues related to what is envisaged in the NDP and B2B.

As part of the implementation framework of the GDS SPM also needs to explore new funding alternatives apart from the traditional sources of funding, as illustrated below in order to achieve its development goals.

**Figure 11: Alternative Funding Methodologies**



The GDS process should commence in time to inform the next 5-year IDP which is due for the 2017/18 -2021/11 cycle.

Sound financial management is integral to the success of local government.

Performance against the following basic indicators will be constantly assessed:

- The number of disclaimers in the last three to five years.
- Whether the budgets are realistic and based on cash available.
- The percentage revenue collected.
- The extent to which debt is serviced.
- The efficiency and functionality of supply chain management.

## CHAPTER 6: MONITORING OF THE IDP AND BUDGET

The IDP's Multi-year Municipal Performance Plan will inform the 2016/17 SDBIP which aligns with both the Capital and Operational Budget. KPI's and targets cannot be set if resources are not available. Resources refer to both institutional capacity as well as financial capacity.

The draft Capital Budget is attached in the schedules while the draft Operational Budget is contained in the Budget Statement. The Capital Budget is included in the IDP as it speaks directly to LED, Infrastructure Development and Service Delivery outputs while the Operational Budget mainly addresses the activities which produce the outputs.

SPM's SDBIP for 2016/17 will be completed after the public consultation process as priorities may be adjusted due to this process. The SDBIP will be submitted to the Executive Mayor by Mid-May for approval and submission to Council at the same time as the submission of the IDP and Budget for adoption.

The SDBIP gives effect to the implementation of the IDP and Budget of the Municipality. The IDP Objectives, Key Performance Indicators and Targets aligned to the Budget within each Key Performance Area in the Multi-year Municipal Performance Plan will then inform the SDBIP for the 2016/17 financial year and break it up into quarterly targets.

The “top layer” SDBIP is used as a framework for the Organisational Performance Management System. The implementation of the IDP and Budget is monitored, evaluated,

reported and measured through the integrated Performance Management System (PMS) to ensure that the resources available to the Municipality are directed at the delivery of prioritised projects, programmes and operations that meet the agreed IDP Objectives. Monitoring, evaluating, measuring and reporting performance will also assist the Municipality:

- To make immediate and appropriate changes in the prioritized delivery process and to adjust resources accordingly;
- Identify and overcome major or systemic blockages in the delivery process and
- Guide future planning on development objectives and resource use.

The PMS process from planning through in-year monitoring and reporting up to the Annual Report is structured as per the figure below:

**Figure 12: IDP/Budget/PMS Linkage**

